

S T A T E M E N T O F A C C O U N T S

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STATEMENT OF ACCOUNTS 2001 - 2002

Contents	Page
Statement of Responsibilities for the Statement of Accounts	3
Auditors' Report on the Accounts	4
Explanatory Foreword by the Controller of Financial Services	6
Statement of Assurance - Corporate Governance	12
Statement of Accounting Policies	13
Consolidated Revenue Account	15
Housing Revenue Account	21
Collection Fund	25
Consolidated Balance Sheet	29
Statement of Total Movements in Reserves	30
Cash Flow Statement	43
Pension Fund	45
Glossary of Financial Terms and Abbreviations	53

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 Controller of Financial Services;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The Controller of Financial Service's Responsibilities

The Controller of Financial Services is responsible for the preparation of the Council's statement of accounts which is required by the CIPFA/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 2002 and its income and expenditure for the year 2001/2002. In preparing this statement of accounts, the Controller of Financial Services 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 Controller of Financial Services 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 Camden London Borough Council

We have audited the statement of accounts of Camden London Borough Council for the year ended 31 March 2002 which comprise:

- the consolidated revenue account and corresponding notes
- the housing revenue account and corresponding notes
- the collection fund and corresponding notes
- the consolidated balance sheet and corresponding notes
- the statement of total movements in reserves
- the cash flow statement and corresponding notes

This statement of accounts has been prepared under the accounting policies set out therein.

Our audit has been carried out as described below and has been substantially completed. However, the audit cannot be formally concluded and an audit certificate issued until questions and objections raised by local government electors under the Audit Commission Act 1998 have been formally concluded.

Respective responsibilities of the Chief Finance Officer and Auditors

As described in the statement of responsibilities for the statement of accounts, the Controller of Financial Services is responsible for the preparation of the statement of accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the statement of accounts in accordance with the Code of Audit Practice issued by the Audit Commission and relevant United Kingdom legal and regulatory requirements and auditing standards. We report to you our opinion as to whether the statement of accounts fairly present the Council's financial position and its income and expenditure for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Code of Audit Practice issued by the Audit Commission and United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the statement of accounts. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the statement of accounts and of whether the accounting policies are appropriate to the Council'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 statement of accounts 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 statement of accounts.

Opinion

In our opinion the statement of accounts presents fairly the financial position of Camden London Borough Council at 31 March 2002 and its income and expenditure for the year then ended.



Deloitte & Touche
Verulam Point
Station Way
St Albans
Herts AL1 5HE
20 August 2002

Notes: An audit does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the statement of accounts since first published. These matters are the responsibility of the Council but no control procedures can provide absolute assurance in this area.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Independent Auditors' Report on the Pension Fund Accounts to Camden London Borough Council

We have audited the pension fund accounts of Camden London Borough Council for the year ended 31 March 2002 contained within the statement of accounts which comprise the pension fund account, pension fund net assets statement and related notes. This statement of accounts has been prepared under the accounting policies set out therein.

Our audit has been carried out as described below and has been substantially completed. However, the audit cannot be formally concluded and an audit certificate issued until questions and objections raised by local government electors under the Audit Commission Act 1998 have been formally concluded.

Respective responsibilities of the Chief Finance Officer and Auditors

As described in the statement of responsibilities for the statement of accounts, the Controller of Financial Services is responsible for the preparation of the Pension Fund accounts in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the Pension Fund accounts in accordance with the Code of Audit Practice issued by the Audit Commission and relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the pension fund accounts fairly present the Pension Fund's financial transactions for the year and the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year. We also provide a statement about contributions, in which we report to you our opinion as to whether contributions have been paid in accordance with the schedule of contributions.

Basis of Audit Opinion

We conducted our audit in accordance with the Code of Audit Practice issued by the Audit Commission and United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Pension Fund accounts. It also includes an assessment of the significant estimates and judgements made by the Council in the preparation of the Pension Fund accounts and of whether the accounting policies are appropriate to the Pension Fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain

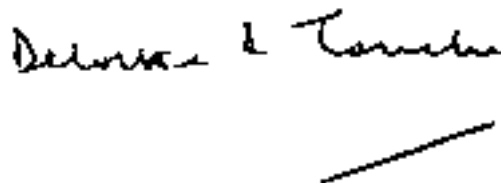
all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Pension Fund accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Pension Fund accounts.

Statement about contributions to the Pension Fund

In our opinion contributions payable to the Pension Fund during the year ended 31 March 2002 have been paid in accordance with the schedule of contributions dated 6 December 1995 as required by the Local Government Pension Scheme Regulations 1997.

Opinion

In our opinion the Pension Fund accounts present fairly the financial transactions of the Pension Fund for the year ended 31 March 2002 and the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year.



Deloitte & Touche
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St Albans
Herts AL1 5HE
20 August 2002

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Foreword by the Controller of Financial Services



John Mabey Controller of Financial Services 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 2001/2002 have been prepared in accordance with the standard format for local authority accounts recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA). They comprise:

The Consolidated Revenue Account This reports the cost for the year of the major services for which the Council is responsible and compares that cost with the finance provided from charges made by the Council, from the Council's drawing on the Collection Fund and from central Government.

The Housing Revenue Account (HRA) There is a statutory duty to account separately for local authority housing provision. It shows the major elements of Council housing revenue expenditure on maintenance, administration, rent rebates and capital financing costs - and how these are met by rents, subsidy and other income. In 2001/2002 the Government introduced new accounting arrangements in the form of resource accounting for the HRA, which are intended to encourage more efficient use of housing assets and increase the transparency of the account.

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

Residual transactions in respect of the community charge, which ceased to be chargeable at 31 March 1993, are also included in this Fund.

The Consolidated 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 Statement of Total Movements in Reserves

This brings together all the Council's movements on reserves.

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.

The Pension Fund Accounts These show contributions to the Council's Pension Fund for employees during 2001/2002, 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 2002.

The accounts can be properly appreciated only if the policies, which 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 forms an integral part of the accounts. There is also a glossary on page 53.

Review of the Year

During 2001/2002 a fundamental change in the political management arrangements of the council occurred, following a long period of consultation on this issue. Out went the old style committee structure, and in its place the Council introduced a "Cabinet" style of management, with a small group of senior members making up the single party Executive which took over the role of decision making from the now defunct committees. An all-party Overview and Scrutiny Commission was set up to undertake policy development and review and to look at the decisions of the Executive, with the power to call in decisions for further discussion where necessary.

The start of the year saw the adoption of the five year Community Strategy, which aims to reduce inequalities and improve quality of life for everyone in the borough. In the summer, the Government gave the go-ahead for the Gospel Oak Neighbourhood Pathfinder scheme which aims to co-ordinate all public services in the area, and at one of its last meetings, the Housing Committee approved a capital programme for 2003 to 2005 worth £113 million for new work - the largest in the country.

The Council's electronic services continued to develop during the year, with an online parking payments

facility being launched in April. Camden UK online got underway in the summer - part of a central government initiative to ensure everyone can have access to the Internet, and the Camden website won the top prize in the e-government category of a prestigious national award. Later in the year, live webcasts of Council meetings were introduced.

The Council launched a pilot "lane" rental scheme; allowing us to charge utility companies "rent" for the roads they dig up, and work began on a £1.4m refurbishment of Russell Square, the largest public square in London, and the £6.4m refurbishment of the Swiss Cottage Library. The Swiss Cottage redevelopment scheme also went on site in the year.

Towards the end of the year, the Council successfully bid for the Stewardship contract for overseeing work to major roads in a large part of North London, from the GLA's Transport for London group. The year ended on a particularly high note, with Camden being named joint winner of the Local Government Chronicle "Council of the Year" awards.

Work continued on the regeneration of Kings Cross, West Euston, Hatton Garden, Kilburn and central Camden with support from Single Regeneration Budget (SRB) grant funding.

The Euro

During the last financial year the Council has continued preparations to review the potential impact of the euro on its services, its financial systems and the Council's stakeholders. The preparation costs to date have been minimal.

The 2001/2002 Revenue Outturn

The Council's financial position has again been sufficiently strong to allow departments to carry forward as earmarked reserves into 2002/2003, budget underspends from 2001/2002.

As the accounts show, the Council ended the year with a deficit of £0.609m after contributions to and from reserves were taken into account. An overall accumulated surplus, ignoring earmarked reserves and balances held by schools and the HRA, of £12.751m now remains in general balances. The net operating expenditure for the year, before contributions to and from reserves and balances are taken into account, was £241.543m (£243.122m in 2000/2001).

Balances held by schools at 31 March 2002 totalled £6.206m, and there were also earmarked reserves held by departments, other than the HRA, totalling £9.529m.

The 2001/2002 Capital Outturn

Actual capital spend in the year was £93.521m, compared with an original budget of £81.164m. Expenditure during the year was mainly funded from grants (39%), from usable capital receipts (25%), from borrowing (18%) and from revenue contributions (16%). In addition to the capital programme the Council entered into leasing arrangements in respect of assets with a capital value of £0.048m.

The council has current borrowing facilities with the Public Works Loan Board and with the council's bankers. In 2001/2002 the council borrowed £16.762m to fund capital expenditure incurred during the year. In addition to new capital resources available in future years from credit approvals, capital receipts and capital grants, the council also has at 31 March 2002 revenue contributions of £11.370m (non-HRA) and £36.100m (HRA), and capital contributions of £14.163m in hand to meet future capital expenditure.

Housing

The Council is the main provider of rented accommodation in Camden with just under 26,300 units. In 2001/2002 average council rents were £65.31 per week, an increase of £2.24, or 4%, over 2000/2001 levels.

The HRA for 2001/2002 set out on page 21 shows that earmarked reserves of £49.396m have been carried forward at 31 March 2002.

Changes In Functions

2001/2002 saw the further development of working partnerships between the Council and the National Health Service for aspects of community care, culminating in the establishment on 1 April 2002 of the Camden Primary Care Trust and the Camden and Islington Mental Health and Social Care Trust. There were no other significant changes in Camden's functions during 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.

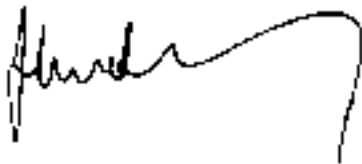
Further Information

Further information about the accounts is available from
The Controller of Financial Services,
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 appears on page 4.

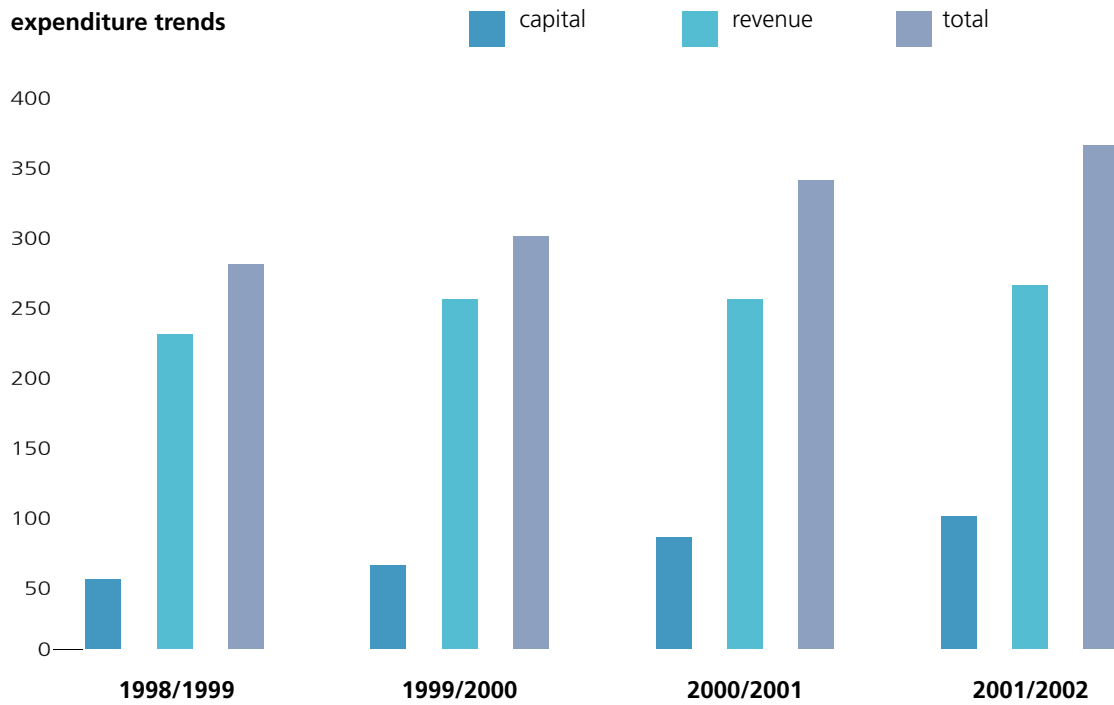
My signature below certifies that the accounts were prepared in accordance with the requirements of Regulation 8 of the Accounts and Audit Regulations 1996, issued under the Local Government Finance Act 1982 and, except where specifically stated, in accordance with all recognised statutory requirements 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 2002.



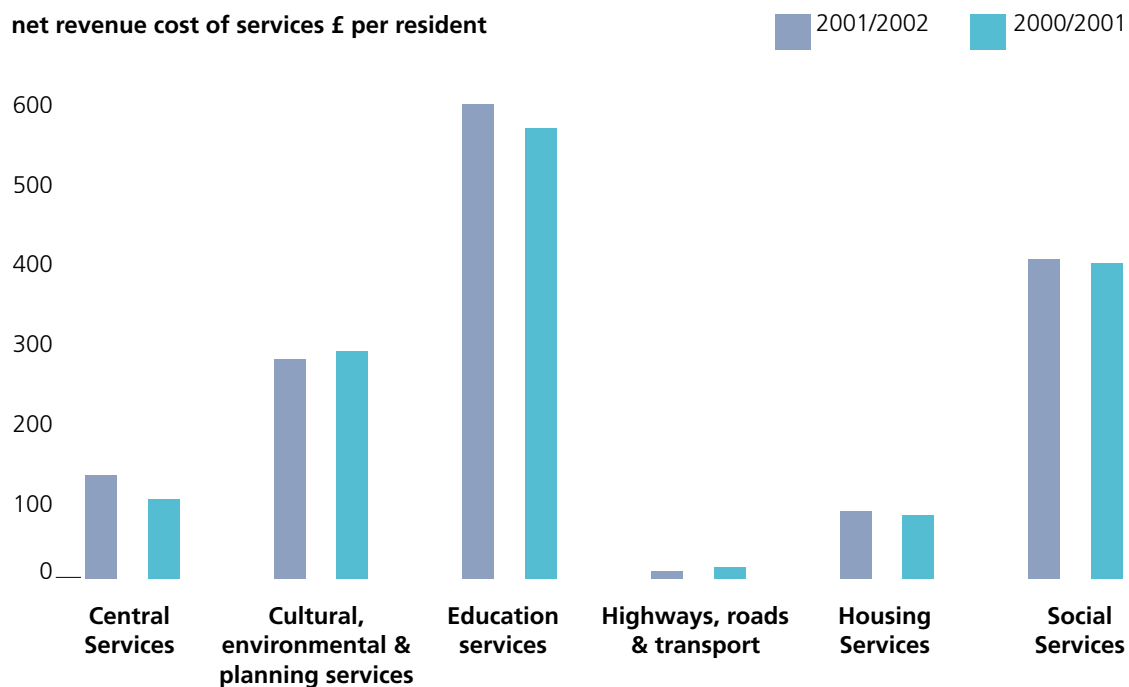
John Mabey, CPFA
Controller of Financial Services
and Chief Finance Officer
8 July 2002

expenditure trends



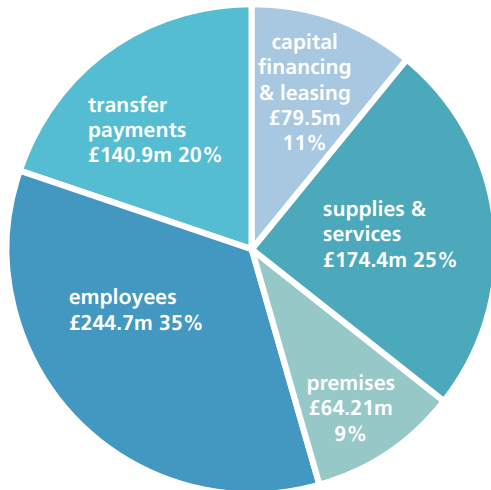
The above diagram shows trends in Camden's capital, net revenue before transfers to and from reserves and total spending. Total spending in 2001/2002 was £358.6m. Revenue spending rose by 5.7% in 2001/2002 compared with the previous year.

net revenue cost of services £ per resident



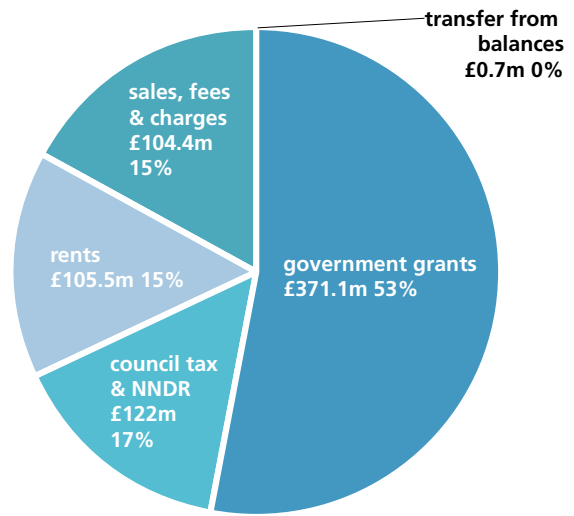
Resident population in 2001/2002 was estimated by Camden at 193,800 compared with 192,000 in 2000/2001. The net revenue cost per resident of all services, excluding HRA housing, in 2001/2002 was £1,504. This was an increase of £44 or 3% on 2000/2001.

analysis of gross expenditure



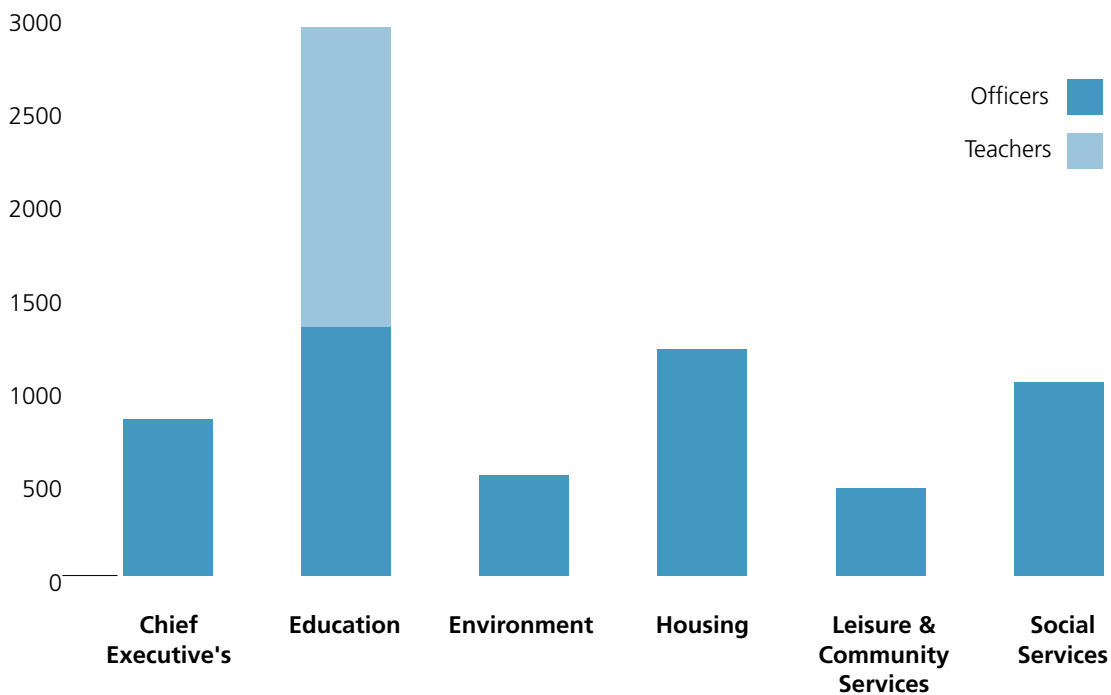
The pie chart above shows how Camden spent its money last year. Camden's gross expenditure in 2001/2002 was £703.7m, an increase of £58.4m over 2000/2001.

analysis of gross income



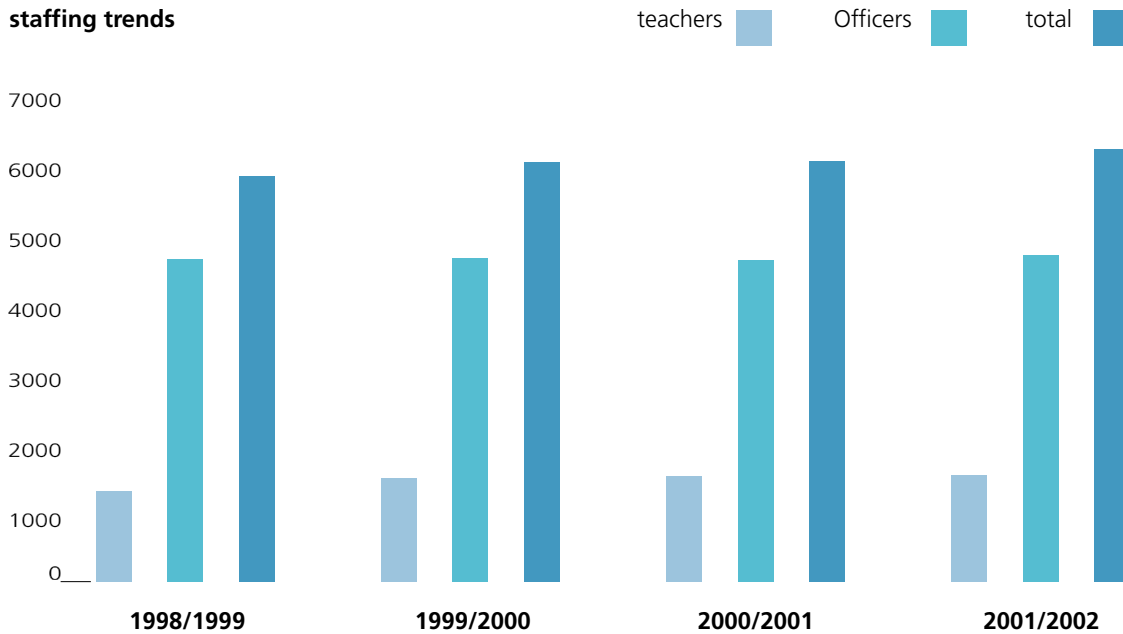
The pie chart above shows how Camden obtained its gross income of £703.7m in 2001/2002. £69m, or 10% of the total, was attributable to Council Tax.

number of employees



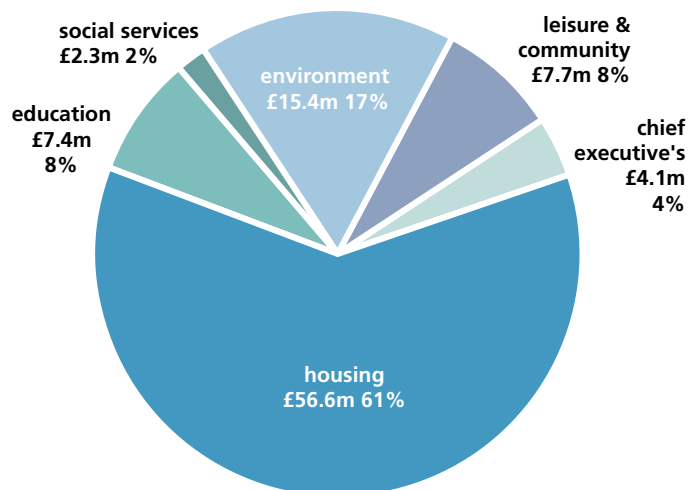
The above diagram shows Camden's staff numbers in 2001/2002, for each department, expressed in terms of the number of full-time equivalents in post, in each category of employment at 31 March 2002. The figures include staff providing services to tenants.

staffing trends



The above diagram shows how Camden staff numbers have changed over recent years. Total FTE staffing rose slightly between 2000/2001 and 2001/2002.

departmental capital spending



Camden spent £93.5m on capital projects in 2001/2002, compared with £77.5m in 2000/2001. The capital spending in 2001/2002 is analysed by department in the chart above.

Statement of Assurance - Corporate Governance

The London Borough of Camden is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this accountability, members and senior officers are responsible for putting in place proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. To this end, the London Borough of Camden aims to organise its business in a manner which is consistent with the principles, and reflects the requirements, of the CIPFA/SOLACE Framework *Corporate Governance in Local Government: A keystone for community governance*.

During the year an initial assessment has been undertaken of the manner in which the Council currently discharges the Corporate Governance responsibilities as identified by CIPFA/ SOLACE guidance. The results of the assessment can be found on the Council's website. In the coming year a fuller assessment of the degree of compliance with the principles and requirements of the framework will be carried out, including consideration of objective independent sources such as the Government's new Comprehensive Performance Assessment scheme.

On the basis of the initial assessment, the Controller of Financial Services has identified a few areas within which some improvement is required to ensure that the Council's arrangements comply with the CIPFA/SOLACE guidance. These main areas are:

- rolling out the operational risk-profiling pilot to all departments. This will cover operational risks and establishment of systems to monitor and control these risks, supplementing the existing report to the Executive on Strategic Risk Management;

- development of improved budgeting information regarding expenditure on cross-cutting themes;
- development of protocols for joint commissioning, funding and accountability under the Council's strategic partnership framework; and
- development of training for existing Members to supplement the existing Members' Induction Scheme, together with training for Chairs of Committees.

We propose over the coming year to take steps to address such matters to further enhance our corporate governance arrangements.

Signed:



Steve Bundred, Chief Executive

Statement of Accounting Policies

The accounts have been prepared in accordance with the CIPFA Code of Practice issued in June 2000 plus Update Bulletins 1 and 2. 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.

Except where specifically stated below, 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 1996 Accounts and Audit regulations.

Accruals

In general, the accounts have been prepared on an income and expenditure basis. Unspent balances held by schools under the Council's scheme for local management of education have also been calculated on an accruals basis and have been carried forward on that basis.

Stocks

Issues from the Council's stores have been mainly charged on the basis of the current costs 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.

Debtors and Creditors

The revenue accounts have been prepared mainly on an income and expenditure basis. Invoices paid by 19 April 2002 for goods and services rendered before 31 March 2002, and an estimate of invoices relating to that year still outstanding at 19 April 2002, are included in the accounts for 2001/2002. An estimate of sums due to the Council, in respect of which invoices had not been raised by 31 March 2002 for services rendered in 2001/2002, has also been included in the accounts.

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 services provided by central support services to service departments are charged to those departments by way of internal transfers. The basis on which charges are made to departments is in accordance with Service Level Agreements and Service Statements drawn up and agreed between clients and providers. These follow rules determined by a corporate working group based on the Best Value Accounting Code of Practice. 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 and Housing Act 1989. In 2001/2002, £23.441m was applied to fund capital expenditure and £34.358m was reserved for the repayment of outstanding debt.

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 Consolidated Balance Sheet on the basis of the outstanding obligation to make future rental payments. The de minimis level is £10,000, so that schemes which cost less than this are classified as revenue rather than capital expenditure.

Operational assets have been included in the Consolidated 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 historical cost.

Depreciation

Depreciation is provided for on all operational capital assets. Depreciation is provided for on all categories of assets except community assets and freehold land and is calculated using the straight-line method.

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 total charge covers the annual provision for depreciation, where appropriate, plus a capital financing charge determined by applying a specified notional interest rate to net asset values. In 2001/2002 this rate is 6%.

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 in the Asset Management Revenue Account (AMRA) and replaced by external interest payable and the statutory Minimum Revenue Provision for debt repayment. The latter figure is calculated in accordance with the provisions of part IV of schedule 3 to the Local Government and Housing Act 1989. The principal repayment is 2% of the debt outstanding at the start of the financial year for HRA advances and 4% for other advances.

Deferred Charges

Deferred charges represent capital expenditure financed from borrowing where there is no tangible asset, such as capital grants made to other bodies or individuals. Deferred charges are written off in the period of benefit to the Council.

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 AMRA over the useful life of the assets to which they relate, to match the depreciation charged on the assets. Grants received in respect of other capital expenditure are written off to AMRA in the same period as the related capital expenditure.

Reserves

The Fixed Asset Restatement Reserve represents the balance of the surpluses or deficits arising from the periodic revaluation of fixed assets. 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.

It is the Council's policy to allow departments to carry forward budget underspends in certain circumstances. These underspends are treated 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 18 to the Consolidated Balance Sheet.

Revenue Provisions

The Council maintains a number of revenue provisions. These are detailed in note 12 to the Consolidated Balance Sheet.

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 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 DfEE on the basis of a notional fund.

b Ex ILEA This is a funded scheme administered by the London Pensions Fund Authority (LPFA). The employer's pension cost charged to the Council's accounts is fixed by the contribution rate set by the LPFA's 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 pension costs that are charged to the Council's accounts in respect of these employees are equal to the contributions paid to the funded pension scheme for these employees. Further costs arise in respect of certain pensions paid to retired employees on an unfunded basis. Payments are also made to the Pension Fund from departmental budgets to make up for the funding shortfall following early retirement or ill-health retirement.

CONSOLIDATED REVENUE ACCOUNT for the year ended 31 March 2002

	Notes	2001/2002 Gross Expenditure £'000	2001/2002 Gross Income £'000	2001/2002 Net Expenditure £'000	2000/2001 Net Expenditure £'000
Continuing services					
Central Services		53,416	(28,979)	24,437	19,279
Cultural, Environmental and Planning Services	1, 2	72,612	(16,876)	55,736	56,399
Education Services		148,018	(33,001)	115,017	109,932
Highways, Roads and Transport	3, 4	34,457	(32,133)	2,324	2,854
Housing Services	5	348,441	(278,578)	69,863	15,257
Social Services		121,579	(43,878)	77,701	76,067
Net cost of services	6 - 11	778,523	(433,445)	345,078	279,788
Surplus transferred from trading accounts				(326)	(146)
Asset Management Revenue Account	12			(102,972)	(34,013)
Interest and investment income				(4,111)	(5,513)
Levies by other authorities	13			3,874	3,006
Net operating expenditure				241,543	243,122
Transfers to Capital Financing Reserve	14, 15			23,591	7,576
Transfers to earmarked reserves (net)	16			1,083	13,189
Transfers to Schools balances				723	1,752
Transfers (from)/to HRA balance				(159)	526
Amount to be met from government grant and local taxpayers				266,781	266,165
Precept demanded from the Collection Fund				(68,544)	(65,118)
Collection Fund surplus				(347)	(545)
Revenue Support Grant				(144,218)	(137,020)
SSA Reduction Grant				-	(133)
Contribution from NNDR pool	17			(53,063)	(52,353)
Total income from grant and taxpayers				(266,172)	(255,169)
Deficit for the year				609	10,996
Consolidated Revenue Account Balance				2001/2002 £'000	2000/2001 £'000
Balance at beginning of year				(13,360)	(24,356)
Deficit for the year				609	10,996
Balance at end of year				(12,751)	(13,360)

Notes To The Consolidated Revenue Account

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

The Council, through its Environment department, operates several street markets. The financial results were as follows:

	2001/2002	2000/2001
	£'000	£'000
Expenditure	768	660
Income from fees and charges	(677)	(567)
Deficit for the year	91	93
Deficit brought forward	386	293
Deficit carried forward	477	386

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.

2 The Local Authority Building Control Regulations (included within Cultural, Planning and Environmental 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 Regulations Charging Account 2001/2002

	Chargeable	Non Chargeable	Total
	£'000	£'000	£'000
Expenditure	1,322	446	1,768
Income	(1,505)	(52)	(1,557)
(Surplus)/Deficit for the year	(183)	394	211
2000/2001	(36)	281	245

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

The surplus arising from on-street parking facilities forms part of the income of the Environment department and is used to defray expenditure on qualifying costs incurred by the department. Under the Road Traffic Regulation Act 1984 the application of any surplus is limited to meeting the cost of providing and maintaining parking facilities, highways improvement schemes and public passenger transport services. Any amount not so used is carried forward in a parking reserve account to the next financial year.

The surplus from on-street parking in 2001/2002 was £13.110m (£11.127m in 2000/2001). This was applied to defray revenue expenditure as follows:

	2001/2002	2000/2001
	£'000	£'000
Income		
Surplus from on-street parking	(13,110)	(11,127)
Expenditure		
Off-street parking	703	726
Highways and traffic improvement:		
- revenue expenditure	1,030	727
- capital expenditure	1,711	1,175
- capital charges	2,912	2,560
Traffic management and control	305	257
Concessionary fares & Taxicard scheme	5,589	5,291
Transport planning costs	860	535
Total expenditure defrayed from income from on-street parking	13,110	11,271
Balance to/(from) parking reserve	-	(144)

4 Agency Works (included within Highways, Roads and Transport Services)

The Council, through its Environment department, undertook highways works for Transport for London on an agency basis in 2001/2002. The total cost of these works in 2001/2002 was £0.171m (£0.186m in 2000/2001).

5 Expenditure on Housing Benefits (included within Housing Services)

	2001/2002	2000/2001
	£'000	£'000
Gross rent allowances	57,036	55,723
Less subsidy income	(54,621)	(53,456)
Net cost of rent allowances	2,415	2,267
Gross cost of council tax benefits	17,241	16,490
Less subsidy income	(16,439)	(15,707)
Net cost of council tax benefits	802	783
Net cost of benefits	3,217	3,050

6 Pensions

a Teachers In 2001/2002 the Council paid £2.712m to the Department for Education and Skills (£2.436m in 2000/2001) in respect of teachers' pension costs, which represents 7.4% of teachers' pensionable pay. In addition, the Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2001/2002 these amounted to £0.348m (£0.3m in 2000/2001) representing 1.04% of pensionable pay.

b Ex ILEA In 2001/2002 the Council paid £0.421m to the London Pensions Fund Authority (£0.458m in 2000/2001) in respect of former ILEA employees' pension costs, which represents 18.1% of ex-ILEA employees' pensionable pay. In addition, the Council is responsible for all pension payments relating to added years it has awarded, together with the related increases. In 2001/2002 these amounted to £0.057m, (£0.058m in 2000/2001) representing 2.47% of pensionable pay.

c Other Employees In 2001/2002 the Council's level of contribution into the Pension Fund was 18.6% for those employees paying 6% of pensionable pay and 15.5% (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 was £18.390m (£16.855m in 2000/2001) which represents 18.54% of Camden employee's pensionable pay.

The employer's contribution rate is determined by the Fund's actuary based on triennial actuarial valuations, the last review being at 31 March 2001.

Under Pension Fund regulations applying to 2001/2002, contribution rates were required to meet 100% of the overall liabilities of the Fund, 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 years benefits it has awarded, together with the related increases. In 2001/2002 these amounted to £2.504m, representing 2.52% of pensionable pay (£2.547m and 2.8% in 2000/2001).

The fund's actuary has advised that the pension charges it would have been necessary to put into the Pension Fund for the year to comply fully with SSAP24, Accounting for pension costs amount to £18.386m, representing 18.54% of Camden employees' pensionable pay.

There were no discretionary increases in pension payments (e.g discretionary added years) agreed by the authority in 2001/2002.

The capital cost of discretionary increases in pension payments agreed by the authority in earlier years for which payments are still being made, whether funded by the pension scheme or the authority, is £59.040m. Of this sum, £10.156m has been funded by making capital payments into the pension fund in previous years.

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 2001/2002 was £2.970m (£2.990m in 2000/2001). This can be analysed as follows:

	2001/2002	2000/2001
	£	£
Salaries	607,835	576,617
Job advertising	1,306,742	1,189,991
Publications	216,043	182,687
General publicity and advertising	584,133	774,386
Other costs	255,439	265,922
	2,970,192	2,989,603

8 Remuneration of Senior Staff and Members

The total sum paid to Members in 2001/2002 was £739,000 (£684,000 in 2000/2001). The number of staff receiving annual remuneration in excess of £40,000 is shown below. This excludes employer's pension contributions but includes benefits in kind.

£'000	2001/2002	2000/2001
40-50	139	64
50-60	16	16
60-70	15	14
70-80	4	7
80-90	3	1
90-100	1	-
100-110	-	-
110-120	1	1
	179	103

9 Related Party Transactions

A number of transactions with related parties are disclosed elsewhere in the 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 2001/2002, as follows:

	£'000
Arts	270
Children, young people and families	3,031
Community advice, development and support	1,625
Community care	5,197
Community centres	2,126
Employment and training	526
Housing associations	1,112
Multi-functional and infrastructure	453
Other	4,847
	19,187

One of the housing associations has also been provided with loan guarantees by the Council. The value of the loans in question was estimated at £3.3m at 31 March 2002.

The Council received £4.767m from Camden and Islington Health Authority during the year for the provision of combined health and community care services.

The Council acts as lead borough and financial advisor to the North London Waste Authority, the London Ecology Unit and the London Housing Unit. In 2001/2002 it paid £4.891m to these bodies and received £0.637m in total. At 31 March 2002 it held £16.166m on behalf of these bodies which is included in current liabilities in the accounts.

10 Leasing

Lease rentals paid in 2001/2002 and included within departmental expenditure, were as follows: the lease periods range between 3 and 10 years.

	2001/2002	2000/2001
	£'000	£'000
Operating leases	1,308	1,848
Finance leases	55	110
	1,363	1,958

Outstanding rentals on operating leases at 31 March 2002 were as follows:

	£'000
Due within 1 year	972
Due within 2 - 5 years	880
Due in more than 5 years	33
	1,885

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. In 2001/2002 the limit of £694,898 was the product of £3.55 multiplied by Camden's relevant population of 195,746. Expenditure on grants and subscriptions amounted to £124,045 in 2001/2002 (£140,410 in 2000/2001).

12 Asset Management Revenue Account

The balance on this account consists of the following items:

	2001/2002	2000/2001
	£'000	£'000
Income		
Capital charges		
General Fund	(36,879)	(34,176)
HRA	(100,107)	(34,823)
Transfer from Capital Grants		
Deferred Account	(7,054)	(8,297)
Previous year adjustment	-	(23,020)
	(144,040)	(100,316)
Expenditure		
Depreciation provision		
General Fund	8,194	7,100
HRA	455	22,611
External interest	32,369	36,531
Finance lease interest	50	61
	41,068	66,303
Net Balance	(102,972)	(34,013)

13 Levies by other local authorities

Levies were paid to other local authorities as follows:

	2001/2002	2000/2001
	£'000	£'000
Environment Agency	1,269	1,185
Garden Squares	15	14
Greater London Magistrates' Court Authority	703	-
Lee Valley Regional Park	223	215
London Pension Fund Authority	1,664	1,592
	3,874	3,006

14 Minimum Revenue Provision

The Local Government and Housing Act 1989 requires the Council to charge the revenue account a provision for the redemption of debt. This is then reduced by the depreciation charge already made to AMRA to leave the net MRP chargeable to the revenue account. For 2001/2002 the amount was £12.505m (£12.964m in 2000/2001) and the Housing element of this (£9.738m) has been met by the HRA.

	2001/2002	2000/2001
	£'000	£'000
Minimum Revenue Provision	2,767	2,997
Less depreciation	(8,194)	(29,711)
Transfer to/(from) Capital Financing Reserve	(5,427)	(26,714)

15 Transfer to the Capital Financing Reserve

The transfer to this account consists of the following items: (see also Note 11 - Consolidated Balance Sheet)

	2001/2002	2000/2001
	£'000	£'000
Deferred charges	(3,145)	(3,880)
Capital grant adjustment	1,011	223
Capital grants deferred	7,054	8,297
- Prior year adjustment	-	23,020
Finance lease principal	-	10
MRP appropriation	(5,427)	(26,714)
HRA consolidation	9,283	-
Revenue contributions to capital	14,815	6,620
	23,591	7,576

16 Transfers to Earmarked Reserves

The following amounts were transferred to/(from) earmarked reserves in 2001/2002:

	2001/2002	2000/2001
	£'000	£'000
Departmental reserves		
Chief Executive's	314	378
Education	(797)	299
Environment	747	(1,524)
Housing	293	95
Leisure and Community Services	(183)	(543)
Social Services	(267)	(1,107)
	107	(2,402)
Planned maintenance	-	(2,196)
Future capital schemes	6,022	3,053
IT investment	(111)	(564)
Central equipment	286	(808)
Year 2000	-	(399)
Match funding	(27)	50
Housing former DSOs	326	146
Risk management	-	70
Commercial and other property	-	70
Modernising Government	438	(286)
Modernising Government - Phase 2	(1,500)	1,500
Parking reserve	-	(144)
Pre 1993/94 Insurance	-	(1,000)
Self-insurance	1,011	2,349
Swiss Cottage Development	(7,798)	8,900
Lighthouse Block	-	4,200
Camden Initiatives in Kings Cross Railway Lands	(19)	650
Kentish Town Sports Centre	300	-
Neighbourhood Renewal Fund	1,063	-
Modernising Government - Phase 3	500	-
Swiss Cottage Library book stock	250	-
Schools support teacher absences	235	-
	976	15,591
Total Net Transfers	1,083	13,189

17 Income from Business Rates

Income to the national non-domestic rates pool is redistributed directly to both billing and precepting authorities on the basis of resident population. Population figures are determined by the Registrar General. The Council received £53.063m in 2001/2002 (£52.353m in 2000/2001), which was credited to the Consolidated Revenue Account based on a population of 195,746 (188,609 in 2000/2001).

HOUSING REVENUE ACCOUNT for the year ended 31 March 2002

	Notes	2001/2002 £'000	2000/2001 £'000
Expenditure			
Repairs and maintenance		38,738	35,055
Supervision and management - General		25,600	26,634
- Special services		17,417	14,326
Rents, rates and other charges		9,512	9,605
Rent rebates	1	54,988	53,999
Capital financing	2	-	47,516
Revenue contribution to capital		-	7,855
Provision for bad debts		958	1,576
Cost of Capital		99,608	-
Depreciation	3	22,639	-
Debt Management Expenses		230	-
Total expenditure		269,690	196,566
Income			
Rents - dwellings	4, 5, 6	(87,660)	(87,854)
- non dwellings		(6,906)	(6,528)
Charges for services and facilities		(12,646)	(11,696)
HRA Subsidy	7	(108,868)	(88,499)
Interest - mortgages		-	(43)
- cash balances		-	(2,472)
Total income		(216,080)	(197,092)
Net Cost of Services		53,610	(526)
Asset Management Revenue Account		(67,747)	-
Amortised Premiums		1,377	-
Investment Income		(2,693)	-
Net Operating Expenditure/(Income)		(15,453)	(526)
Revenue Contribution to Capital Expenditure		6,329	-
HRA contribution to Minimum Revenue Provision		9,738	-
Transfer from Major Repairs Reserve		(455)	-
Deficit/(Surplus) for the year		159	(526)
		£'000	£'000
Housing Revenue Account Balance			
Surplus at beginning of year		(49,555)	(49,029)
Surplus for the year		159	(526)
Deficit/(Surplus) at end of year	8	(49,396)	(49,555)

This is the first year to which the new HRA Resource Accounting requirements apply. As the lawful entries to the HRA are specified by the legislation the comparative figures for 2000/2001 have not been restated.

Notes to the Housing Revenue Account

1 Rent Rebates

Assistance with rents is available under the Housing Benefits scheme for those on low incomes. About 64% of the Council's tenants were receiving some help with the costs of rents, water and heating charges at 31 March 2002.

	2001/2002	2000/2001
	£'000	£'000
Gross rent income	87,660	87,854
Rent rebates	54,988	53,999
Rebates as % of rent income	63%	61%

Housing Benefit is administered by the Chief Executive's department under regulations laid down by the Department of Work and Pensions (DWP). The net cost of rent rebates granted to Council tenants is the total amount of rebates paid out less subsidy, which is calculated as part of the overall HRA Subsidy entitlement. While the net cost of non-HRA rent rebates and rent allowances for private tenants is met from Council tax payers, the net cost of benefits falling upon Council tenants under these arrangements is as follows:

	2001/2002	2000/2001
	£'000	£'000
Rent rebates granted*	55,877	54,797
Less subsidy income	(55,118)	(54,285)
Net cost of benefits	759	512

*Gross of backdated adjustments, etc

2 Capital Financing Costs

Costs of capital charged to the Housing Revenue Account are determined 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.

This year, for the first time, the determination specifies that the HRA should be charged with a 6% notional interest charge in line with that made for non-HRA assets and represents the cost of public sector capital tied up in HRA assets. In order that the HRA only bears the proper HRA interest charge relating to interest on notional HRA debt, an entry is made to the Asset Management Revenue Account representing the difference between these amounts.

In 2000/2001 the old rules applied to HRA accounting. Accordingly the following charges were made:

2000/2001

	£'000
Amount set aside for loan repayment	9,967
Interest on loans	36,278
Premiums	1,016
Leasing	255
	<u>47,516</u>

3 Depreciation

For the first time in 2001/2002 the item 8 Determination states that the HRA should be charged with depreciation. Last year depreciation on HRA assets appeared only in the Consolidated Revenue Account.

Depreciation is made up as follows:

	£'000
Operational Assets (dwellings/other)	22,184
Non operational Assets	455
Total	<u>22,639</u>

4 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 2.06% of properties used for permanent accommodation were vacant (2.23% in 2000/2001). The average rent for all stock was £65.31 per week in 2001/2002, an increase of £2.24 or 4%, over the 2000/2001 average rent of £63.07 per week.

5 Housing Stock

The Council was responsible at 31 March 2002 for managing 26,297 self-contained and shared dwellings. The stock was as follows:

Property	No
1 Bed accommodation	10,948
2 Bed accommodation	8,258
3 Bed accommodation	5,376
4 Bed+ accommodation	1,527
	<hr/>
	26,109
	<hr/>
Multi occupied dwellings	
Shared units *	188
Total	<hr/>
	26,297
	<hr/>

*Dwelling equivalent

The change in stock can be summarised as follows:

	2001/2002	2000/2001
Stock at 1 April	26,973	27,775
Less sales, demolitions etc	(676)	(802)
Stock at 31 March	<hr/>	<hr/>
	26,297	26,973

6 Rent Arrears

The arrears at 31 March 2002 were £6.107m (£7.241m at 31 March 2001). Amounts written off during the year totalled £1.277m and the provision for bad debts at the year end totalled £5.017m (£5.725m at 31 March 2001).

7 HRA Subsidy

HRA Subsidy is a grant paid by the Department for Transport, Local Government and the Regions (DTLR) (now the Office of the Deputy Prime Minister (ODPM)) towards the costs of local authority housing. It represents the shortfall of notional rent and other income against expenditure deemed by the DTLR to have been incurred for management and maintenance, charges for capital and rent rebates. Income is calculated as follows:

	2001/2002	2000/2001
	£'000	£'000
Notional expenditure		
Management & maintenance	55,029	52,753
Major Repairs Allowance	22,184	-
Charges for capital	46,893	50,451
Rent rebates	55,118	54,285
Other	3,383	3,263
Tenants Participation Compact	45	-
Resource Accounting Allowance	140	-
Adjustment to prior year entitlement	(156)	104
Total notional expenditure	<hr/>	<hr/>
	182,636	160,856
	<hr/>	<hr/>
Notional income		
Rents	(73,728)	(72,311)
Other	(40)	(46)
Total notional income	(73,768)	(72,357)
HRA Subsidy	<hr/>	<hr/>
	108,868	88,499

8 Surplus Carried Forward To Earmarked Reserves

The balance represented by the accumulated surplus of £49.396m at the end of the year was earmarked for the following purposes.

	2001/2002	2000/2001
	£'000	£'000
Capital schemes	36,100	37,300
Reactive repairs	5,800	5,100
Heating	1,089	1,700
PFI Development	700	1,100
BDS Closure Costs	-	600
Other	2,500	800
Working balance	3,207	2,955
	49,396	49,555

9 Asset Valuations

Balance Sheet values within the HRA are as follows:

	1 April	31 March
	2001	2002
	£'000	£'000
Operational Properties		
- dwellings	1,624,148	1,724,624
- other properties	21,058	22,477
Sub – total	1,645,206	1,747,101
Non-operational Properties		
- commercial properties	52,157	54,502
Sub Total	52,157	54,502
Grand Total	1,697,363	1,801,603

The vacant possession value of dwellings within the HRA at 1 April 2001 is £3.793bn. The difference between this value and the Balance Sheet value represents the economic cost of providing council housing.

10 Major Repairs Reserve

This reserve came into operation in 2001/2002 and reflected a change in the subsidy regime in that year. The movement in the reserve in 2001/2002 was as follows:

	£'000
Opening Balance 1 April 2001	-
Transferred to Reserve in year	22,639
Transferred to HRA in year	(455)
Used to fund capital expenditure in year	(22,184)
Closing Balance at 31 March 2002	-

11 Capital Expenditure and Funding

HRA capital expenditure in the year was as follows:

	2001/2002
	£'000
Works to HRA dwellings/other properties	51,650
Acquisitions	1,336
Deferred Charges (House Purchase Grants)	817
	53,803

In addition, non-HRA housing capital expenditure was incurred of £2.797m.

Housing capital expenditure was funded as follows:

	2001/2002
	£'000
Borrowing	14,222
Usable Capital Receipts	11,164
Revenue Contributions	6,330
Major Repairs Reserve	22,184
Other	2,700
	56,600

12 Capital Receipts

Gross HRA capital receipts from disposals in 2001/2002 were as follows:

	2001/2002
	£'000
Dwellings	47,142
Other Properties	1,082
Total	48,224

13 Deferred Charges

House Purchase grants under the cash incentive scheme of £0.817m were incurred in the year.

COLLECTION FUND REVENUE ACCOUNT for the year ended 31 March 2002

	Notes	2001/2002 £'000	2001/2002 £'000	2000/2001 £'000	2000/2001 £'000
Expenditure					
Council Tax					
Precepts and Council demand	1, 2, 3				
- LB Camden (including Garden Squares)		68,544		65,118	
- Preceptors	4	12,941	81,485	11,877	76,995
Distribution of surplus/(collection of deficit)					
- LB Camden	6	219		462	
- Preceptors	4	35	254	71	533
Provision for uncollectable amounts	5		1,815		2,069
Community Charge					
Transfer to General Fund	7		128		83
NNDR					
NNDR allowable costs and adjustments		132		3,498	
Contribution to the NNDR pool	8	199,132	199,264	172,650	176,148
Total expenditure			282,946		255,828
Income					
Council Tax					
Income from council tax (net of)		(66,902)		(62,883)	
- Council Tax benefits		(16,844)	(83,746)	(16,365)	(79,248)
Contributions from major preceptors					
- Compensation for Council Tax Benefit Subsidy limitation			(450)		(135)
Community Charge					
Community charge collected	7		(16)		(110)
NNDR					
Income from business ratepayers	8		(199,264)		(176,148)
Total income			(283,476)		(255,641)
(Surplus)/Deficit for the year			(530)		187
Collection Fund Balance					
Surplus at beginning of year			(971)		(1,158)
(Surplus)/Deficit for the year			(530)		187
Surplus at end of year	6		(1,501)		(971)

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 Consolidated Revenue Account, Collection Fund balances do form part of the Consolidated 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.

The tax for each band is set, by law, as a fraction of the band D charge. For 2001/2002, the Council estimated that a band D charge of £1 would produce an income of £85,769.53. 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 single occupancy, 25%, and no occupants, 50%), exemptions, and non-

collection, and multiplying by the appropriate fraction for that band.

In 2001/2002 the council tax for band D was set as follows:

	£
Camden	798.99
Greater London Authority	150.88
	<u>949.87</u>

This was an increase of £43.68 (4.82%) on the corresponding figure for 2000/2001 of £906.19.

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.

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

Council Tax Bands

Market Value in April 1991	Band	2001/2002 Council Tax £	Number of properties at 1 April 2002	Number of properties at time of tax setting	Fraction 2001/2002	Tax base for tax setting
Less than £40,000	A	633.25	1,925	1,924	6/9	895.90
£40,000 - £52,000	B	738.79	9,406	9,421	7/9	5,481.89
£52,000 - £68,000	C	844.33	18,575	18,468	8/9	12,439.84
£68,000 - £88,000	D	949.87	23,409	23,404	9/9	18,047.49
£88,000 - £120,000	E	1,160.95	15,990	15,944	11/9	15,225.31
£120,000 - £160,000	F	1,372.04	9,831	9,773	13/9	11,251.50
£160,000 - £320,000	G	1,583.12	11,472	11,373	15/9	15,666.69
£320,000 or more	H	1,899.74	3,906	3,851	18/9	6,760.91
Total			94,514	94,158		85,769.53

4 Precepts on the Collection Fund

The Greater London Authority began precepting in 2000/2001, taking over responsibility for the functions of the Metropolitan Police and the London Fire and Civil Defence Authority. The Receiver for the Metropolitan Police retained responsibility for the Inner London Probation Service and the Greater London Magistrates Courts service in 2000/2001 only.

The Greater London Authority precepted on the fund in 2001/2002 as shown below:

	2001/2002	2000/2001
	£'000	£'000
Preceptor		
Greater London Authority	12,941	10,447
Receiver for the Metropolitan Police	-	1,430
Total	12,941	11,877

Surpluses distributed to preceptors were as follows:

	2001/2002	2000/2001
	£'000	£'000
Preceptor		
Greater London Authority	35	62
Receiver for the Metropolitan Police	-	9
Total	35	71

5 Council Tax - Uncollectable Amounts

The provision to cover bad debts stood at £19.197m on 31 March 2002. This represents 90.5% of the outstanding arrears.

6 Fund Balance

The balance on the Collection Fund at 31 March 2002 represents deficits and surpluses that have arisen since 1 April 2000 in respect of council tax and community charge transactions. These may be analysed as follows:

	31 March	Change	31 March
	2001	during	2002
	2001/2002		
	£'000	£'000	£'000
Council tax			
-1999/2000	(509)	509	-
-2000/2001	(319)	-	(319)
-2001/2002	-	(1,151)	(1,151)
Community charge	(143)	112	(31)
	(971)	(530)	(1,501)

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

The surplus in respect of council tax will be paid to preceptors and the Council's General Fund in 2001/2002 and 2002/2003. These payments may be analysed as follows:

	Refund	Estimated	Total
	refund		
	2002/2003	2003/2004	
	£'000	£'000	£'000
GLA	80	158	238
Camden	424	839	1,263
	504	997	1,501

7 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 is transferred to the Council's Consolidated Revenue Account.

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 multiplied by a national uniform rate (set by the Government) of 43.0p (41.6p in 2000/2001) in the pound. The total amount collectable, less certain reliefs and deductions, is paid into a national pool.

At 31 March 2002 the non-domestic rateable value of the borough was £644.023m (£653.244m at 31 March

2001). On 1 April 2000 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 will limit changes to bills. These arrangements will be phased out over 5 years.

A significant number of backdated downward revaluations were processed during the year and as a result the income due from business ratepayers was £15.098m lower in the year than it would otherwise have been.

	2001/2002 £'000	2001/2002 £'000	2000/2001 £'000	2000/2001 £'000
Income from business rates				
Non-domestic rate charge		264,684		244,688
Transitional relief	(28,343)		(36,177)	
Less - mandatory charity relief	(25,757)		(22,516)	
- empty property relief	(10,966)		(9,540)	
- discretionary relief	(354)	(65,420)	(307)	(68,540)
Income due from business ratepayers		199,264		176,148
NNDR collection costs, credited to the Council's General Fund	(1,106)		(1,124)	
Bad debt provision/losses on collection	2,020		(354)	
Discretionary relief charged to the Council's General Fund	255		282	
Interest on refunds	(1,301)	(132)	(2,302)	(3,498)
Contribution to NNDR Pool		199,132		172,650

CONSOLIDATED BALANCE SHEET as at 31 March 2002

		31 March 2002 £'000	31 March 2002 £'000	31 March 2001 £'000	31 March 2001 £'000
	Notes				
Net assets					
Fixed assets	1, 2, 10		2,294,219		2,150,170
Deferred charges	3		-		-
Long-term debtors	4		3,538		3,391
Current assets	5	146,526		99,527	
Less current liabilities	6	(133,244)		(136,630)	
Net current assets/(liabilities)			13,282		(37,103)
Total assets less current liabilities			2,311,039		2,116,458
Long-term loans outstanding	7, 8, 9	(402,127)		(385,851)	
Deferred liabilities	10	-		-	
Capital grants deferred	11	(16,729)		(8,917)	
Deferred capital income		(818)		(557)	
Provisions	12	(5,924)		(6,775)	
Total long term liabilities			(425,598)		(402,100)
Total assets less liabilities			1,885,441		1,714,358
Financed by					
Fixed Asset Restatement Reserve	13		1,268,455		1,181,544
Capital Financing Reserve	14		472,277		391,413
Capital receipts unapplied	16		-		2,642
Major Repairs Reserve	17		-		-
Contributions to capital works unapplied			14,163		9,781
Earmarked reserves	18		60,692		59,609
Balances					
- Collection Fund			1,501		971
- HRA			49,396		49,555
- Locally managed schools	19		6,206		5,483
- General Balances			12,751		13,360
Total equity	20		1,885,441		1,714,358

STATEMENT OF TOTAL MOVEMENTS IN RESERVES

for the year ended 31 March 2002

	Fixed Asset Restatement Reserve	Capital Financing Reserve	Capital receipts unapplied	Contribution to Capital Works unapplied	General balances	Specific balances & earmarked reserves	Housing Revenue Account	Total
Notes	13	14	16		17,18,19			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2001	1,181,544	391,413	2,642	9,781	13,360	66,063	49,555	1,714,358
Surplus/ (deficit) for year	(61,822)	23,070	-	4,382	(609)	2,336	(159)	(32,802)
Unrealised gains on fixed asset revaluation	201,261	-	-	-	-	-	-	201,261
Disposal of fixed assets:								
- cost or value of assets	(52,528)	-	-	-	-	-	-	(52,528)
- Proceeds of disposal	-	34,353	20,799	-	-	-	-	55,152
Net surplus/ (deficit) on disposal	(52,528)	34,353	20,799	-	-	-	-	2,624
Financing of capital expenditure	-	23,441	(23,441)	-	-	-	-	-
Balance at 31 March 2002	1,268,455	472,277	-	14,163	12,751	68,399	49,396	1,885,441

Notes to the Consolidated Balance Sheet and the Statement of Total Movements in Reserves

1 Fixed Assets

	31 March 2001	Revaluation 2001/2002	Adjustments 2001/2002	Additions 2001/2002	Disposals 2001/2002	Depreciation 2001/2002	Elimination of Depreciation on revaluations & disposals	31 March 2002
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Operational								
- HRA	1,697,363	149,482	221	1,183	(47,187)	(22,639)	23,180	1,801,603
- Other land & buildings	337,714	24,066	(1,725)	2,696	(4,413)	(5,745)	1,401	353,994
- Vehicles, plant & equipment	2,366	-	257	1,780	-	(861)	-	3,542
- Infrastructure	51,776	-	-	13,548	-	(1,596)	-	63,728
- Community	7,937	-	-	200	-	-	-	8,137
Non operational	51,994	3,878	2,465	-	(1,750)	(6)	14	56,595
Fixed Assets under construction	1,020	-	-	5,600	-	-	-	6,620
2001/2002 total	2,150,170	177,426	1,218	25,007	(53,350)	(30,847)	24,595	2,294,219
2000/2001 total	1,707,211	510,075	(1,915)	18,012	(53,502)	(29,839)	128	2,150,170

Adjustments in 2001/2002 include transfers between asset categories and corrections to base.

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

- Colliers Erdman Lewis Chartered Surveyors
- Inland Revenue - Valuation Division
- London Borough of Camden - Head of Property Services

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 Institute of Chartered Surveyors by members of this institute.

All land and buildings held within the HRA have been valued as at 1 April 2001 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 discounting the values

by 53% to reflect the continuing occupation by secure tenants. The notional acquisition costs associated with this method of valuation are £36.222m and are not included in the above table.

Non-operational assets such as shops have been valued at open market value. The notional disposal costs associated with this method of valuation are £1.085m and are not included in the above table

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 is 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 1994 being equivalent to the outstanding debt on these assets at that date.

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

Council Assets

The assets of the Council at 31 March 2002 included the following:

25,851	Council dwellings
488	HRA commercial properties
180	HRA other properties
2	Car parks
2	Cemeteries
7	Community centres
12	Day centres
5	Depots & workshops
6	Libraries
12	Miscellaneous buildings
2	Mortuaries & courts
1	Museums & galleries
19	Non-HRA housing properties
16	Offices
5	Play centres
5	Playing fields
9	Public conveniences
8	Residential homes
9	School keeper houses
9	Schools - nurseries
25	Schools - primary
6	Schools - secondary
5	Schools - special
5	Sports centres/pools
7	Teacher residences
263	Kilometres of road
58	Parks, gardens & open spaces
444	Units of commercial property
7	Surplus/vacant properties

2 Capital Expenditure and Funding

	2001/2002	2000/2001
	£'000	£'000
Expenditure		
Capital additions	25,872	16,096
Written off to Fixed Assets		
Restatement Reserve	62,228	54,084
Deferred charges	3,146	3,880
Advances to housing associations	2,275	3,479
	93,521	77,539
<hr/>		
	2001/2002	2000/2001
	£'000	£'000
Funding		
Loans	16,762	34,819
Usable capital receipts	23,441	18,670
Contributions/insurance receipts	1,322	697
Major Repairs Allowance	22,184	-
Transport for London grants	3,466	-
Single Regeneration Budget Grant	2,495	3,187
Other capital grants	8,231	5,908
Capital creditors	805	(217)
Revenue financing (HRA)	6,329	7,855
Revenue financing	8,486	6,620
	93,521	77,539

Major items of capital expenditure during 2001/2002 included:

	£'000
Chief Executive's	
UK Online	530
APLAWS - Camden	1,433
APLAWS - Grants	613
Education	
South Camden Community School - City Learning Centre	1,383
Environment	
Planned Improvements - footway works	620
Planned Improvements - carriageway works	775
Boulevard Project	5,068
Hatton Garden Streetscape project	492
Controlled Parking Zone - West Kentish Town	526
Local Safety Schemes - Clear Zones	536
Bus Priority Network	1,216
Structural maintenance of Principal Roads - High Holborn	502
Housing	
Energy Efficiency - Ashdown Crescent	851
Gospel Oak Capital Challenge - Barrington Court	796
Constable House - roof	881
Harben Area - repairs	2,084
Alder House - external repairs and decorations	1,081
Aspen House - external repairs and decorations	510
Burmarsh - external repairs and decorations	3,303
Maitland Park Road – phase A	1,038
Southfleet – door entry system	1,903
Clarence Way Estate	3,289
Godwin Court window renewal	731
Albert Street/Mornington Crescent	779
Camden Road	850
Gaisford Area – safe, warm & dry	1,697
St Pauls Crescent 26-36	833
Bourne Estate	2,381
Betterton House	521
Flaxman Court	538
Kilburn S.R.B. – Kilburn Vale warm, safe & dry	907
West Euston S.R.B. - security	4,351

	£'000
Cash Incentive scheme	814
New provision out of borough (Registered Social Landlord)	1,236
Registered Social landlord - within Camden	939
Leisure and Community Services	
Swiss Cottage Library refurbishment	2,043
Talacre Sports Centre	2,543
Russell Square Urban Parks Programme	1,371
Social Services	
Spectrum Day Centre	570

The Council has authorised capital expenditure of £257m to be incurred in the years 2002/2003 to 2005/2006, of which £92m has already been contracted. These commitments include the following significant schemes:

	£'000
Education	
South Camden Community School - new technology block	853
Disabled access	539
County Schools - devolved capital	1,571
Environment	
Highways - planned improvements	1,500
Footway reconstruction	5,000
Housing	
Harben Area properties repairs	1,673
Constable House - roof/repairs	513
Hilgrove Estate - parapets	2,267
Chalcots, Fellows Road	1,000
Alder House - external repairs/decorations	980
Burmarsh - repairs	3,035
Maitland Park Road A (4-5)	812
Southfleet A-F - repairs	1,370
Clarence Way Estate - repairs	2,810
Godwin Court - window renewal	538
Albert Street/Mornington Terrace	705
Regents Park Road	523
Camden Road	890
Gaisford Area properties repairs	1,492
Camelot/Carters/Tanhouse	573
Kenbrook House – works	970

	£'000		£'000
Allensbury Place 1-30	1,085	Fleet Road Estate - safe, warm & dry	2,750
Bourne Estate - contract 2	5,902	Wells House	800
Fuel poverty/energy efficiency	814	Una House	950
Energy conservation	700	Ferdinand House	4,200
Barrington Court - phase 3	564	Castle Road Estate	1,100
Lateral Mains renewal	796	New Harmood Estate	900
Brunswick/Holly Lodge - heating	511	Clarence Way - phase 2	1,900
Leisure and Community Services		Waxham - security	644
Swiss Cottage Library - refurbishment	3,412	Curnock Street Estate - door entry system	810
Swiss Cottage development - landscaping	3,111	Curnock Street - repairs	1,766
Waterlow Park Urban Parks Programme	1,077	Churchway - repairs	745
Social Services		Tolmers Square - repairs	723
Spectrum mental health centre	600	Mornington Street - repairs/windows	823
Caversham Family Centre	1,992	Three Fields - repairs	1,125
A further £165m relates to schemes approved to proceed which were not contracted as at 31 March 2002. The following significant schemes are included:		Bayham Street - repairs	888
	£'000	Levita House	1,855
Education		Holly Lodge Mansions - roof/windows	875
Sure Start - Kilburn	974	Haddo	705
New Deal for Schools - community schools	1,433	St Albans Villas	583
Special Schools - block provision	3,329	Makepeace Mansions	2,769
Schools block provision	5,000	Kennistoun House	952
Environment		Tybalds Close	2,507
Boulevard project - phases 4 & 5	8,700	Drury Lane	739
Winchester Road/Eton Avenue - traffic & environmental improvements	1,407	Hebrand Street	589
Housing		Grafton Way 30-40	1,352
Primrose Hill Court - raising the standard	1,171	Ossulston Street - safety/security	2,532
Beaumont - raising the standard	1,177	Levita House 61-63 window renewal	762
Belsize - raising the standard	538	Clyde Court	2,385
Fellows Road Estate	1,144	Leisure and Community Services	
Harben Road	1,014	Kilburn High Road Library - fit out costs	955
Lymington Road Estate	2,827	Talacre Open Space redevelopment	683
Old Westcroft Estate	1,683	Kentish Town Sports Centre refurbishment	1,000
Rondu	1,276		
Webheath/Netherwood Street	1,402		
New Westcroft Estate - raising the standard	836		
Barnfield/Woodfield - works	901		
Raglan Estate - Alpha Court/Monmouth House	850		
Silverbirch House	764		

3 Deferred Charges

	2001/2002	2000/2001
	£'000	£'000
Balance brought forward	-	-
Additions		
- Improvement grants	372	468
- Other capital grants	2,048	2,534
- Voluntary aided schools	533	843
- Other	193	35
Written off during the year	(3,146)	(3,880)
Balance carried forward	-	-

4 Long-term Debtors

	31 March	31 March
	2002	2001
	£'000	£'000
Loans to		
- Housing associations	2,453	2,385
Staff car loans	111	132
Right to buy mortgages	375	410
Right to buy service loans	298	161
Other mortgages	156	179
Works in default	145	124
	3,538	3,391

5 Current Assets

	31 March	31 March
	2002	2001
	£'000	£'000
Stocks	176	101
Cash held by officers	100	110
Money on call/short notice	103,594	45,674
Cash at bank	-	5,017
Payments in advance	1,772	2,880
	105,642	53,782
Collection Fund debtors		
- Community charge payers	397	415
- Council tax payers	19,197	18,184
- NNDR ratepayers	12,600	15,676
- NNDR Pool	-	6,632
	32,194	40,907
Other debtors		
- HRA rents	6,107	7,241
- Central Government	4,814	5,976
- Other local authorities	5,476	3,869
- Other sundry debtors	60,637	55,441
	77,034	72,527
Total debtors	109,228	113,434
Less provisions for bad debts		
- Community charge	(399)	(415)
- Council tax arrears	(17,372)	(17,040)
- NNDR arrears	(5,149)	(8,083)
	(22,920)	(25,538)
- HRA rents	(5,017)	(5,725)
- Other arrears	(40,407)	(36,426)
Total provisions	(68,344)	(67,689)
Total current assets	146,526	99,527

6 Current Liabilities

	31 March	31 March
	2002	2001
	£'000	£'000
Temporary loans	7,870	1,000
PWLB <1 year	3,724	16,778
Depositors	2,153	1,003
Bank Overdraft	10,324	22,951
Receipts in advance	6,774	5,870
Charitable receipts	62	59
Residents' savings	163	381
	31,070	48,042
Collection Fund creditors		
- Council tax payers	4,572	3,788
- NNDR ratepayers	3,485	5,023
- NNDR pool	12,478	-
	20,535	8,811
Other creditors		
- Pension Fund	10,708	10,168
- Central Government	7,149	7,887
- Other local authorities	16,454	15,164
- Other sundry creditors	47,328	46,558
	81,639	79,777
Total current liabilities	133,244	136,630

7 Loans Outstanding

	2001/2002	2000/2001
	£'000	£'000
Loans raised	164,600	244,975
Loans repaid	(154,507)	(283,799)
Net increase/(decrease) in external borrowing	10,093	(38,824)

8 Loans Outstanding By Type

	31 March	31 March
	2002	2001
	£'000	£'000
PWLB > 1 year	402,128	385,851
PWLB < 1 year	3,724	16,778
Temporary loans	7,870	1,000
Total loans outstanding	413,722	403,629

9 Long-term Loans Outstanding By Maturity

	31 March	31 March
	2002	2001
	£'000	£'000
1 – 2 years	428	3,724
2 – 5 years	42,104	21,937
5 - 10 years	74,803	60,095
10 years +	284,793	300,095
	402,128	385,851

10 Leasing, Hire Purchase and Deferred Liabilities

The Council no longer has finance leases or hire purchase agreements.

The following constitutes the balance on the deferred liabilities account:

	2001/2002	2000/2001
Balance brought forward	-	10
Repaid	-	(10)
Balance carried forward	-	-

11 Capital Grants Deferred

In respect of grants used to finance asset acquisition, sums are released to the Asset Management Revenue Account (AMRA) in line with the depreciation charged on the new assets. In respect of grants used to finance works to existing assets, sums are released to AMRA in line with depreciation charged on any enhancement value derived from the capital works undertaken. Grants received in respect of works to capital assets that have not enhanced the value of the asset are written off to AMRA in the year they are received.

	31 March	31 March
	2002	2001
	£'000	£'000
Government grants		
Transport Supplementary Grant	4,878	5,022
Other infrastructure grants	6,236	2,460
Other grants (building works)	2,175	-
Equipment grants	2,233	388
Contributions	1,207	1,047
	16,729	8,917

12 Provisions

	31 March	31 March
	2002	2001
	£'000	£'000
Self-insurance provision	4,250	4,648
Tree root damage	1,468	1,920
Car loans insurance	54	55
Total insurance provisions	5,772	6,623
Repayment of grant	152	152
Total general provisions	152	152
Total provisions	5,924	6,775

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 with a substantial excess, currently £100,000 for each and every claim.

Through agreement with Zurich Municipal, aggregate annual limits of £0.1m and £2.5m apply to the Council's current exposure to property and liability claims respectively.

A self-insurance provision has been established to meet claims within the excess and aggregate limits.

Contributions to the provision are made from departmental expenditure. The HRA contributes to the provision and claims are paid from the provision, which, if uninsured, would be met by the HRA.

The balance of the provision at 31 March 2002, £4.25m, is an estimate of outstanding payments on reported claims at that date.

	2001/2002	2000/2001
	£'000	£'000
Balance at 1 April 2001	4,648	5,281
Contributions	2,541	2,439
	7,189	7,720
Payment of claims	(1,928)	(1,723)
	5,261	5,997
Transfer to self-insurance reserve	(1,011)	(1,349)
Balance at 31 March 2002	4,250	4,648

Tree Root Damage From 1994/1995 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. A contribution of £0.1m was made in 2001/2002 from the HRA (total contributions in 2000/2001 were £0.98m including £0.48m from the HRA). The balance at the end of the year provides 85% cover on outstanding claims and is sufficient to meet anticipated claim payments in 2002/2003.

Car Loans insurance This provision is to protect the council's interests in the event of any default in the repayment of staff car loans.

Repayment of grant Provision has been made for the liability to repay urban aid grant received on properties that have since been sold.

13 Fixed Assets Restatement Reserve

The Fixed Assets 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	31 March
	2002	2001
	£'000	£'000
Balance brought forward	1,181,544	779,055
Revaluations	201,261	510,075
Prior year adjustments	129	-
Corrections to base	427	-
Capital expenditure which did not enhance asset values	(62,228)	(54,084)
Capital expenditure in Fixed Assets Under Construction which did not enhance asset values	(150)	-
Net Book Value of fixed assets disposed of in 2001/2002	(52,528)	(53,502)
Balance carried forward	1,268,455	1,181,544
Comprising:		
General Fund	221,473	208,686
HRA	1,046,982	972,858
	1,268,455	1,181,544

14 Capital Financing Reserve

The Capital Financing Reserve contains the amounts that are required by statute to be set aside from capital receipts for the repayment of external loans and the amount of capital expenditure financed from revenue and from usable 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	31 March
	2002	2001
	£'000	£'000
Balance brought forward	391,413	316,658
Reserved capital receipts	34,358	31,247
Prior year adjustment	(5)	-
Capital financing capital receipts	23,441	18,670
revenue	14,815	14,475
Major Repairs Reserve	22,184	-
MRP (less depreciation)	(18,328)	(16,747)
Finance lease/hire purchase principal	-	10
Capital grants	6,125	8,134
Capital contributions	929	448
Prior year adjustment	(289)	22,735
Less deferred charges written down in year	(3,146)	(3,880)
capital grant adjustment	1,012	223
Debt repaid	(232)	(560)
Balance carried forward	472,277	391,413

15 Provision for Credit Liabilities

In accordance with statutory requirements the Council is required to set aside sums as a provision to repay external loans and for other limited purposes. In 1997/1998 the Council decided in future fully to apply the balance on the Provision for Credit Liabilities for the repayment of external debt. The Council does not keep an account within the accounting records for the PCL, as there is no need to do so, but maintains a memorandum account which is set out below:

	31 March	31 March
	2002	2001
	£'000	£'000
Balance brought forward	-	-
Minimum Revenue Provision	12,506	12,964
Reserved receipts	34,358	31,247
Debt repaid	(46,864)	(44,211)
Balance carried forward	-	-

16 Capital Receipts Unapplied

The Local Government and Housing Act 1989 requires that a percentage of capital receipts secured by local authorities after 1 April 1990 must be set aside to meet credit liabilities. Capital receipts unapplied are those receipts that are available to finance new capital expenditure. Details of the sources and application of capital receipts are shown below:

	2001/2002	2000/2001
	£'000	£'000
Balance unapplied at 1 April	2,642	2,788
Receipts in Year		
Sale of Council dwellings	46,118	39,308
Sale of other land and buildings	9,014	9,559
Distribution of LRB receipts	-	216
Repayment of housing assoc loans/mortgages	277	688
Prior year adjustment	(252)	-
Total Receipts	57,799	52,559
Application		
New capital expenditure	23,441	18,670
Capital Financing Reserve	34,358	31,247
Total Application	57,799	49,917
Balance unapplied at 31 March	-	2,642

17 Major Repairs' reserve

This reserve came into operation in 2001/2002 and reflected a change in the subsidy regime in that year. The movement in the reserve in 2001/2002 was as follows:

	£'000
Opening balance 1 April 2001	-
Transferred to reserve in year	22,639
Transferred to HRA in year	(455)
Used to fund capital expenditure in year	(22,184)
Closing balance at 31 March 2002	-

18 Earmarked Reserves

The following earmarked reserves were maintained during 2001/2002:

	2001/2002	2000/2001
	£000	£000
Departmental reserves		
Chief Executive's	3,123	2,809
Education	2,025	2,822
Environment	1,996	1,249
Housing	1,456	1,163
Leisure & Community Services	929	1,112
Social Services	-	267
Total Departmental Reserves	9,529	9,422
Corporate Reserves		
Future Capital schemes a	11,370	5,348
IT investment b	43	154
Central Equipment c	958	672
Match funding d	1,473	1,500
Added years commutation e	5,600	5,600
Building Design Services f	226	226
Housing former DSO g	1,183	857
Risk Management h	228	228
Commercial and other property i	870	870
IT Systems Management j	3,300	3,300
Modernising Government k	2,152	1,714
Potential litigation l	826	826
Self-insurance reserve m	14,653	13,642
Swiss Cottage development n	1,102	8,900
Lighthouse office block o	4,200	4,200
Modernising Government Phase 2 p	-	1,500
Camden initiatives in Kings Cross Railway Lands q	631	650
Kentish Town Sports Centre r	300	-
Neighbourhood Renewal Fund s	1,063	-
Modernising Government Phase 3 t	500	-
Swiss Cottage Library book stock u	250	-
Schools Support teacher absences v	235	-
Total Corporate Reserves	51,163	50,187
Total Reserves	60,692	59,609

Earmarked Reserves continued

- a** This reserve has been created to cover the cost of various future schemes which were approved in 2001/2002
- b** This reserve was created to allow the Council to make best use of information technology in service provision
- c** This reserve exists to enable departments to purchase items of equipment for which operating leases would be inappropriate and to spread the cost over a number of years
- d** This reserve has been created to ensure that match funding is available to support applications for national lottery and other funds by Council departments and voluntary organisations
- e** The LGPS Regulations allow local authorities to capitalise certain on-going costs associated with early retirements and pay these to the Pension Fund as a lump sum. This reserve has been set aside to meet some ongoing costs
- f** Building design services operates a separate trading account. Following a decision to externalise the service the balance on the account has been carried forward to meet the winding down costs
- g** The trading surplus of the Building Maintenance Division and the cumulative surpluses of the former Housing Management and Building Maintenance DSOs are held in this earmarked reserve
- h** This reserve contains monies paid to the Council by its insurers and allocated through budgets for use on risk management initiatives
- i** This reserve has been set up to meet dilapidations and other payments in respect of commercial and other properties
- j** This reserve has been set up to meet the cost of replacement of the major systems used for the administration of Housing Benefits and of Council Tax
- k** This reserve has been created to meet the costs of Modernising Government by developing e-services
- l** A reserve has been created to protect the Council's position in relation to a number of legal actions
- m** In addition to the provision for reported claims (See note 12 the Council has established a reserve against potential claims arising out of past circumstances and for potential increases in reported claims values. Potential claims, which, if "uninsured", would be paid from the HRA, 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 £2.831m at 31 March 2002. A further £0.449m is reserved against claims outstanding with MMI. External insurance consultants will complete a triennial valuation of the Council's exposure to these factors in 2002/2003. The Council has transferred £1.011m to this reserve from the self-insurance provision.
- n** This reserve has been set up to support the costs of the Swiss Cottage development
- o** This reserve has been set up to finance the potential acquisition and refurbishment of the Lighthouse office block at Kings Cross
- p** This reserve has been set up to meet the cost of Phase 2 of the Modernising Government programme
- q** This reserve has been set up by transfer from the earmarked reserve of the Chief Executive's department, to meet the costs of initiatives in connection with the redevelopment of the Kings Cross Railway Lands
- r** This reserve has been set up to meet design and consultancy work on the Kentish Town Sports Centre in 2002/2003
- s** This reserve has been set up to meet Neighbourhood Renewal Fund commitments in future years
- t** This reserve has been set up to meet the cost of Phase 3 of the Modernising Government programme
- u** This reserve has been set up to meet the cost of replenishing the book stock at Swiss Cottage Library
- v** This reserve has been set up to meet the funding of teacher absences

19 School 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 rose by £0.723m during the course of 2001/2002.

	£'000
Schools balances as at 1 April 2001	5,483
Movement in year	723
Schools balances at 31 March 2002	<u>6,206</u>

The Education department makes budgetary provision for the funding of teacher absences, which is apportioned to schools as and when it is required. The unspent balance on this budget of £0.235m has been set-aside in a specific earmarked reserve and is shown in note 18.

20 Analysis of Net assets employed

	31 March 2002 £'000	31 March 2001 £'000
General Fund	383,343	371,123
HRA	1,502,098	1,343,235
	1,885,441	1,714,358

21 Trust Funds

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

	Balance at 1 April 2001 £	Receipts 2001/2002 £	Payments 2001/2002 £	Balance at 31 March 2002 £
Education	(2,849)	(3,453)	21	(6,281)
Social Services	(27,416)	(2,133)	8,090	(21,459)
Other	(142,826)	(52)	-	(142,878)
	<u>(173,091)</u>	<u>(5,638)</u>	<u>8,111</u>	(170,618)

22 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 pay a grant to cover any shortfall that may arise between rent payable by the Council 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 £0.1m. The possibility that the Council will have to assume responsibility for any of the loans currently outstanding in respect of these guarantees is remote.

No provision has yet been made in the accounts following a ruling by the House of Lords in March 2001 affecting all employers, which may allow certain part-time workers to claim pension rights. As yet there is insufficient information available to calculate the level of any liability.

There is a potential tax liability in respect of industrial unit lettings, which has yet to be quantified.

There is a potential liability in respect of the repayment of income collected from service users who are subject to S117 of the Mental Health Act 1983. The possible repayment would be in the sum of £0.863m. Judgement on an appeal to the House of Lords arising from the case of R v Richmond London Borough Council, Ex Parte Watson is expected in the summer of 2002.

There is a potential liability in respect of the occupation of a council building, which may require a compensation payment in respect of possible rights of possession.

There is a potential liability in respect of claims made under a contract for highways maintenance which has yet to be quantified.

23 Pension and similar obligations

The Statement of Accounting Policies includes a section dealing with the pension schemes in which the Council participates, and Note 6 to the Consolidated Revenue Account 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 further pension information required under Financial Reporting Standard 17 (FRS17).

Pension and similar obligations continued

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 Teachers Pensions Agency). All are defined benefit schemes.

On full implementation of FRS 17 the CIPFA SORP Update Bulletin 2 requires the establishment of a pensions reserve equal and opposite to the amount of any pension asset or liability. Accordingly there will be no impact on the general fund reserves.

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 2001 and updated to 31 March 2002 by a qualified independent actuary. The assumptions that have the most significant effect on this valuation are as follows:

Assumptions	As at 31 March 2002 % per annum
Price Increases	2.8%
Salary Increases	4.3%
Pension Increases	2.8%
Discount Rate	6.4%

The assets in the scheme and the expected rate of return as at 31 March 2002 were:

	Long-term expected rate of return	Value of Whole Fund £m
Equities	7.5%	377.579
Bonds	5.5%	88.938
Property	6.0%	14.515
Cash	4.0%	30.832
Total market value of assets		<u>511.864</u>

Camden share of Fund £438.388m

Net Pension Asset		£m
Estimated Employer Assets		438.388
Present value of scheme liabilities		(571.181)
Net pension liability		<u>(132.793)</u>

London Pensions Fund

The London Pensions 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 2001 and updated to 31 March 2002 by a qualified independent actuary. The assumptions that have the most significant effect on this valuation are as follows:

Assumptions	As at 31 March 2002 % per annum
Price Increases	2.8%
Salary Increases	4.3%
Pension Increases	2.8%
Discount Rate	6.4%

	Long-term expected rate of return	Value of Whole Fund £m
Equities	7.5%	1,341.061
Bonds	5.5%	1,328.926
Property	6.0%	-
Cash	4.0%	105.917
Total market value of assets		<u>2,775.904</u>

Camden share of Fund £32.632m

Net Pension Asset		£m
Estimated Employer Assets		32.632
Present value of scheme liabilities		(30.233)
Net pension asset		<u>2.399</u>

Teachers Pension Scheme

The Council participates in the Teachers 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 £2.714m and the agreed contribution rate from 1 April 2002 is 8.35%.

CASH FLOW STATEMENT for the year ended 31 March 2002

		2001/2002	2001/2002	2000/2001	2000/2001
	Notes	£'000	£'000	£'000	£'000
Revenue Activities					
Cash outflows					
Payments to NNDR Pool		180,021		181,582	
Payments of precepts		12,976		11,948	
Cash paid in respect of employees		245,679		225,188	
Other operating payments		214,230		198,075	
Housing benefit paid out		57,036	709,942	55,706	672,499
Cash inflows					
Receipts from NNDR Pool		(53,063)		(52,353)	
Non-domestic rate receipts		(200,802)		(169,635)	
Receipts from council tax payers		(67,123)		(62,810)	
Receipts from community charge payers		(16)		(110)	
Revenue Support Grant		(144,218)		(137,020)	
DWP grants for benefits		(68,531)		(66,511)	
Other Government grants	3	(156,792)		(123,688)	
Rents (after rebates)		(51,433)		(51,323)	
Cash received for goods and services		(69,915)	(811,893)	(62,483)	(725,933)
Net cash inflow from revenue activities	1		(101,951)		(53,434)
Servicing of finance					
Cash outflows - interest paid					
- interest paid		32,530		37,767	
- finance lease interest		50		61	
Cash inflows - interest received					
- interest received		(3,488)	29,092	(5,893)	31,935
Net cash outflow from the servicing of loans			29,092		31,935
Capital activities					
Cash outflows					
Purchase of fixed assets		87,295		70,397	
Other capital cash payments		2,045		3,455	
Deferred charges		3,146	92,486	3,880	77,732
Cash inflows					
Sale of fixed assets		(55,132)		(48,877)	
Capital grants received		(14,342)		(9,094)	
Other capital cash receipts		(5,581)	(75,055)	(6,604)	(64,575)
Net cash outflow from capital activities			17,431		13,157
Net cash inflow from all activities before financing			(55,428)		(8,342)
Management of liquid resources	2		51,050		(10,225)
Financing					
Finance lease principal repayments					
- finance lease principal repayments			-		10
Long term loans raised		(20,000)		(40,000)	
Long term loans repaid		16,778	(3,222)	58,223	18,223
Net cash outflow from financing and liquid resources			47,828		8,008
(Increase)/Decrease in cash	4		(7,600)		(334)

Notes To The Cash Flow Statement

1 Reconciliation of Revenue Cash Flow

	2001/2002	2000/2001
	£'000	£'000
Net General Fund		
Revenue expenditure	609	10,996
Net HRA revenue expenditure	159	(526)
Net Collection Fund revenue expenditure	(530)	187
Expenditure debited to holding accounts and provisions	2,481	2,199
Deduct interest paid	(32,580)	(37,828)
Deduct contributions to provisions and reserves	(15,149)	(25,349)
Deduct revenue contributions to capital	(37,000)	(14,475)
Creditors (increase)/ decrease	(14,625)	6,547
Increase/(decrease) in stock	75	(37)
Add interest received	3,488	5,893
Other financing	(2,057)	(905)
Minimum revenue provision	(12,566)	(12,964)
Add contributions from provisions and reserves	11,713	8,572
Debtors increase	(5,969)	4,256
Revenue activities net cash inflow	(101,951)	(53,434)

2 Management of Liquid Resources

	2001/2002	2000/2001
	£'000	£'000
Short term loans		
- raised	(144,600)	(204,975)
- repaid	137,730	225,575
	(6,870)	20,600
Money on call or at short notice		
- deposited	749,204	710,996
- returned	(691,284)	(741,821)
	57,920	(30,825)
Totals	51,050	(10,225)

3 Other Government Revenue Grants

	2001/2002	2000/2001
	£'000	£'000
Aids/HIV Support Grant	803	889
Asylum Seekers	8,666	7,605
Children's Services Grant	3,402	1,404
Council Tax grants	1,106	1,124
GEST/Standards Fund	9,860	9,070
HRA Subsidy	108,864	88,499
Mandatory Student Awards	1,228	1,125
Mental Illness Specific Grant/Homeless Mentally Ill	1,609	1,427
Neighbourhood Renewal Fund	2,119	-
Nursery Education Grant	984	1,665
Promoting Independence Grant	2,377	1,795
School Standards Grant	2,631	1,053
SRB	1,913	1,655
Sure Start	1,591	145
Teachers' Pay	1,327	793
Other grants	8,312	5,439
	156,792	123,688

4 Movement in Cash

	31 March	31 March
	2002	2001
	£'000	£'000
Cash with accounting officers	100	110
Cash at bank	-	5,017
Cash overdrawn	(10,324)	(22,951)
	2001/2002	2000/2001
	£'000	£'000
Movement in cash with accounting officers	10	1
Movement in cash at bank	5,017	(2,637)
Movement in cash overdrawn	(12,627)	2,302
Net cash inflow	(7,600)	(334)

PENSION FUND

Introduction

The Council's Pension Fund is operated under the provisions of the Local Government Pension Scheme (LGPS) Regulations 1997, the Local Government (Discretionary Payments) Regulations 1996 and the Teachers' (Compensation for Redundancy and Premature Retirement) Regulations 1997.

The Accounts have been prepared in accordance with the LGPS Regulations 1997, and the 2000 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, widow's and children's pensions and death gratuities.

The accounts comply with the recommendation of the SORP as far as appropriate for local government.

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 Controller of Financial Services (venture capital and internal funds) and three professional fund managers, Baillie Gifford & Co, PDFM Ltd and Schroder Investment Management Ltd. Each operates within policies and targets determined by the Council's Investment Panel, with Schroder Investment Management Ltd and PDFM Ltd having responsibility for 82.5% of the Fund, the Council 2.5%, and with Baillie Gifford and Co. having 15% and higher performance targets than the other Fund Managers.

Overall investment strategy is the responsibility of the Investment Panel, which consists of eight councillors who receive advice from the Chief Executive, the Controller of Financial Services and the Borough Solicitor, the three Fund Managers, and Pensions Investment Research Consultants Ltd. Trade union representatives and retired members are also invited to attend the Panel as observers. Panel 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 2002 was as follows:

	£'000
Council	2,795
Baillie Gifford and Co	72,716
PDFM Ltd	228,368
Schroder Investment Management Ltd	207,985
	<hr/>
	511,864

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 2001.

The discounted market value of the Fund's assets at the valuation date was £526m and their actuarial value of £645m represented 82% 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	6.75% per annum
Bonds	5.75% per annum
Rate of general pay increases	4.3% per annum
Rate of increases to pensions in payment in excess of guaranteed minimum pensions	2.8% per annum

Assets were valued at the discounted value of future income assuming a 2.4% 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 2001 was sufficient to meet only 82% of the liabilities it has been necessary to increase the employer's contribution rate from 2002/2003 and continue at that level for the next two years. The rate of contribution during 2001/2002 was 18.54% of pensionable pay.

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

	%
2001/2002	310
2002/2003	325
2003/2004	325
2004/2005	325

The actuarial valuation as at 31 March 2001 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 1997/1998 onwards. The actuarial review incorporated an increase in the employer's contribution rate to maintain the solvency of the Fund. The next actuarial valuation will be carried out as at 31 March 2004, 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 2001/2002, £0.580m was paid to the Council for administration (£0.636m in 2000/2001) and as at 31 March 2002, £10.708m was due from the Council to the Fund (£10.168m at 31 March 2001)

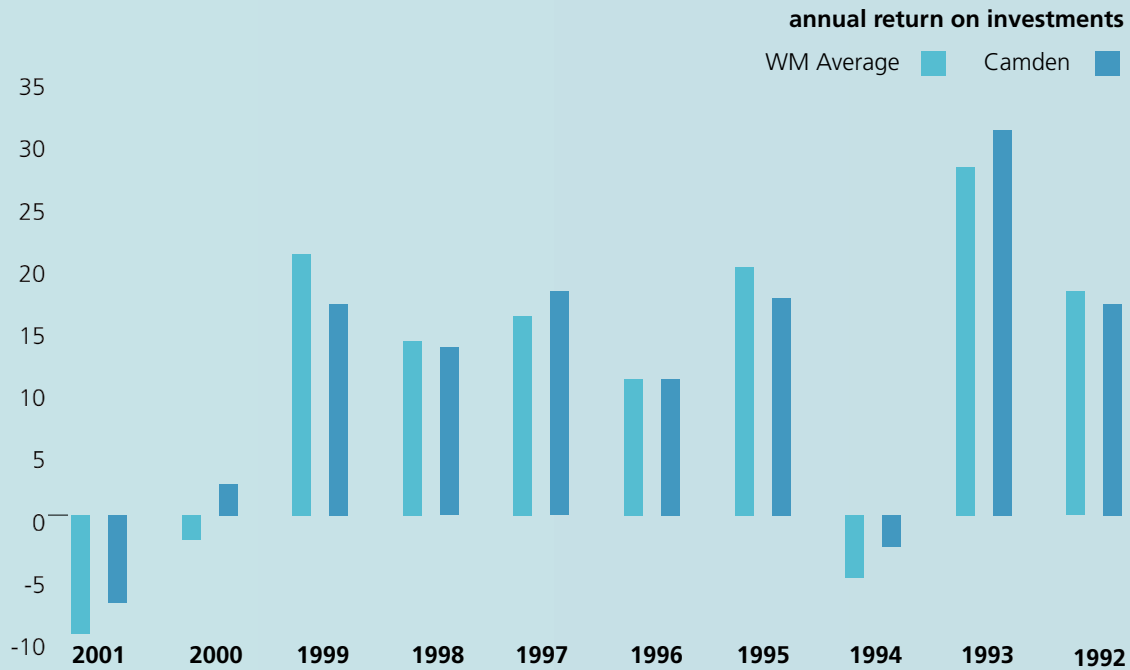
Investment Policy

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 which may in aggregate be held as follows:-

- The maximum that may be held in fixed-interest Government bonds is 40% of the Fund. Within that limit no more than 20% may be held in overseas Government bonds. The maximum that may be held in corporate bonds is 10% of the fund, but must be rated either AA or A according to recognised credit agencies.
- No more than 80% and no less than 25% may be invested in UK equities (including convertibles). Up to 10% of the UK equity portfolio may be invested in small companies exempt funds, subject to investment in the manager's 'in-house' funds being restricted to a holding of no more than 5% of that fund's value.
- Direct property investments (including property unit trusts) and venture capital may not exceed 15% of the Fund.
- No more than 12.5% may be in cash for a period greater than two months.
- 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.
- Investments placed with the Council, other than short-term temporary deposits, may not exceed 5% of the Fund.
- No more than 30% may be invested in overseas equities.
- No more than 15% of the Fund should be invested in insurance contracts
- No more than 15% of the Fund should be invested in a combination of Unit Trusts and Open Ended Investment Companies.

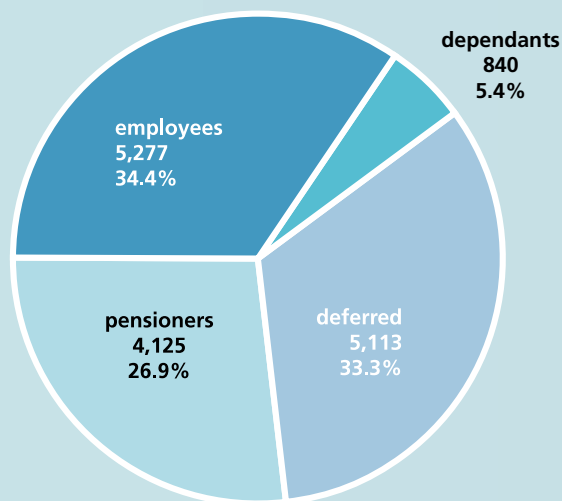
Fund Portfolio and Diversification

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



The overall value of the Fund has risen by 131% 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.

Membership of the Fund



Total membership of the Fund at 31 March 2002 was 15,355 (14,784 in 2001). Within the totals shown in the pie chart are 576 employees, 258 pensioners, 28 dependants and 539 deferred benefits attributable to admitted bodies.

**Pension Fund Account for the year ended
31 March 2002**

	Note	2001/2002 £'000	2000/2001 £'000
Contributions and benefits			
Employees' contributions		(7,005)	(6,349)
Employer's contributions		(20,426)	(18,498)
Transfers in		(11,549)	(6,939)
Capital costs	1	(702)	(3,887)
Pension indexation		6,142	5,619
Retirement pensions		14,655	14,045
Retiring allowances		1,810	2,297
Death gratuities		177	149
Transfers out		6,533	3,982
Contribution equivalent Premium	2	12	70
Administration costs		595	648
Other expenditure	3	222	218
Return of contributions		106	81
Net receipts from dealing with members		(9,430)	(8,564)
Returns on investments			
Investment income	4	(15,650)	(15,947)
Change in market value of investments			
- Realised		(2,796)	(15,341)
- Unrealised		15,228	39,266
- Management fees		924	930
Net returns on investments		(2,294)	8,908
Net increase/(decrease) in the fund		11,724	(344)
Net assets at 1 April		500,140	500,484
Net assets at 31 March		511,864	500,140

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 2002**

	Note	31 March 2002 £'000	31 March 2001 £'000
Investments at market value			
	5, 6		
Fixed interest securities			
- Public sector		64,272	68,141
- Corporate bonds		8,951	2,304
Life Fund		5,165	5,560
Index linked securities		10,549	10,882
UK equities	8	254,888	254,231
Overseas equities		122,132	95,541
Property unit trusts		14,515	16,051
Venture capital	7	560	637
Cash instruments		-	1,106
		481,032	454,453
Other net assets			
Cash		28,001	42,767
Debtors less creditors		2,831	2,920
Net assets		511,864	500,140

Post balance Sheet Event

Since the 31 March 2002 the world economy has continued to decline and the investments shown above have fallen in value during the preparation of this accounting statement.

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 State Earnings Related Pension Scheme. This applies only to employees who have received a refund for contributions.

3 Other Expenditure

Included in this figure is a sum of £120,776 for overseas withholding tax on overseas equities, the major part of which is non refundable.

4 Pension Fund Investment Income

A detailed breakdown of this figure is shown below:

	31 March 2002	31 March 2001
	£'000	£'000
Fixed interest securities		
- Public sector	3,014	3,567
- Corporate bonds	294	157
Index linked securities	369	433
UK equities	7,643	7,256
Overseas equities	1,748	1,377
Property unit trusts	1,061	815
Venture capital	2	15
Interest	1,519	2,327
Total income	15,650	15,947

5 Investments

Pension Fund Purchases and Sales by Asset Type for the year ended 31 March 2002

	2001/2002	2000/2001
	£'000	£'000
Purchases		
Fixed interest securities		
- Public sector	97,393	69,599
- Corporate bonds	11,997	2,228
Life Fund	1,997	5,817
Index linked securities	15,901	6,359
UK equities	51,418	52,076
Overseas equities	77,193	51,220
Cash instruments	644	1,594
Total purchases	256,543	188,893
Sales		
Fixed interest securities		
- Public sector	99,697	70,926
- Corporate bonds	4,857	1,003
Life Fund	2,735	640
Index linked securities	16,324	11,153
UK equities	44,369	41,805
Overseas equities	46,133	44,713
Property unit trusts	1,652	1
Venture capital	29	318
Cash instruments	1,782	6,041
Total Sales	217,578	176,600

6 Pension Fund Analysis of Investments at Market Value

	31 March	31 March	31 March	31 March
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Securities				
Government fixed interest				
- UK	30,147	23,650		
- Australia	2,160	1,960		
- France	-	2,534		
- Germany	15,260	16,542		
- Holland	1,829	-		
- Italy	186	-		
- New Zealand	89	-		
- USA	3,241	2,309		
- Other overseas	11,360	21,146		
Life Fund	5,165	5,560		
Government index linked				
- UK	8,346	1,871		
- USA	2,203	9,011		
Fixed interest corporate bonds				
- UK	8,483	1,978		
- Overseas	468	326		
	88,937	86,887		
UK equities				
Quoted	253,523	251,567		
Convertibles	1,365	2,664		
	254,888	254,231		
Overseas equities				
Asia miscellaneous	6,899	7,784		
Australia	4,368	3,191		
Austria	245	207		
Belgium	757	635		
Canada	128	-		
Denmark	476	332		
Europe miscellaneous	2,271	2,735		
Finland	1,442	1,538		
France	11,472	11,327		
Germany	6,166	6,677		
Holland	7,184	7,011		
Hong Kong	2,969	3,473		
Hungary	-	128		
Ireland	857	1,032		
Italy	4,242	3,714		
Japan	14,556	14,031		
New Zealand	125	265		
Norway	512	171		
Portugal	630	655		
Singapore	1,221	947		
South America miscellaneous	-	668		
Spain	2,679	1,949		
Sweden	2,393	2,570		
Switzerland	7,560	6,387		
Taiwan	-	185		
USA	28,733	14,273		
World miscellaneous	14,247	3,656		
	122,132	95,541		
Property unit trusts				
Hermes	2,474	2,455		
Sackville	844	1,695		
Schroder Exempt	3,274	3,295		
UBS Triton 11	7,923	8,606		
	14,515	16,051		
Venture capital				
APAX Ventures 11 Ltd	18	17		
Causeway Development Capital Fund	12	40		
London Development Capital Fund	135	135		
London Enterprise Venture Fund	201	213		
Midland Growth Fund	194	232		
	560	637		
Cash instruments				
Germany (Federal Republic) bond	-	1,106		
Total asset value	481,032	454,453		

7 Venture Capital

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

APAX Ventures 11 Ltd	29 December 2000
Causeway Development Capital Fund	31 August 2001
London Development Capital Fund	31 December 1997
London Enterprise Venture Fund	30 September 2001
Midland Growth Fund	28 February 2002

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

	31 March 2002 £'000	31 March 2001 £'000
Resources	34,688	33,475
Basic Industrials	12,002	10,748
General Industrials	8,649	8,026
Cyclical Consumer Goods	1,034	1,992
Non-Cyclical Consumer Goods	42,967	41,258
Cyclical Services	39,563	38,294
Non-Cyclical Services	24,258	30,194
Utilities	8,363	10,221
Financials	65,637	65,248
Information Technology	2,939	5,529
Unit Trusts	14,788	9,246
	254,888	254,231

The Funds 10 Largest Equity Holdings at 31 March 2002

NB 5% of the Fund's net assets is £25.6m

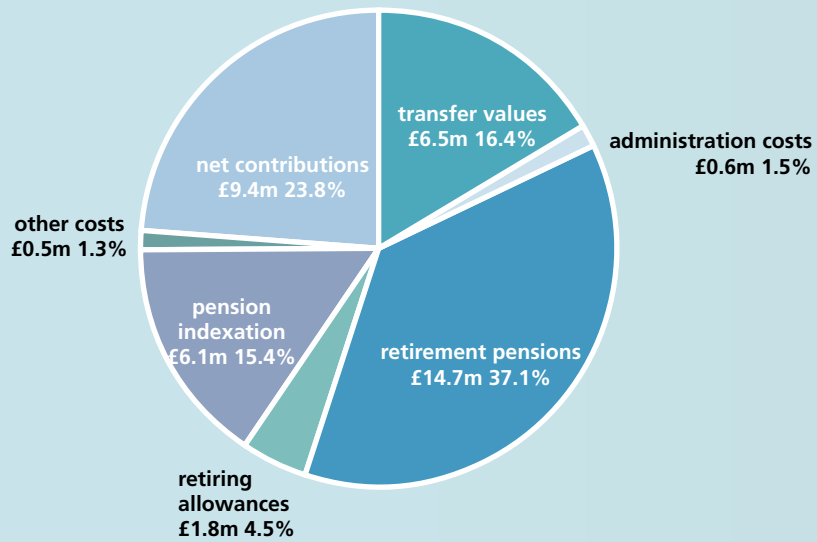
Company	Market value £'000	% of net assets
BP PLC	18,245	3.56
Glaxosmithkline PLC	16,948	3.31
Vodafone Group PLC	11,672	2.28
HSBC Holdings PLC	9,622	1.88
Royal Bank of Scotland Group PLC	9,418	1.84
Shell Transport & Trading Co PLC	8,311	1.62
AstraZeneca Group PLC	7,825	1.53
Lloyds TSB Group PLC	7,784	1.52
Barclays PLC	5,961	1.16
BT Group PLC	5,282	1.03

9 Analysis of Contributors and Benefits

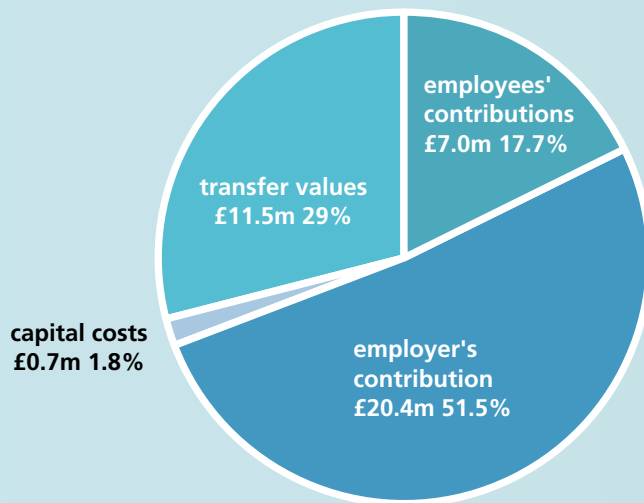
	2001/2002 £'000	2000/2001 £'000
Contributions receivable		
Administering authority	(33,964)	(31,813)
Admitted bodies	(5,718)	(3,860)
	(39,682)	(35,673)
Benefits payable		
Administering authority	28,114	25,704
Admitted bodies	2,138	1,404
	30,252	27,108

Analysis of Contributors and Benefits continued

Analysis of Benefits



Analysis of Contributions



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, based on the value of assets employed, and comprising interest and depreciation (where appropriate).

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 debt charges (principal repayments and interest charges), 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 Consolidated 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.

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 which is met from borrowing but 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.

ABBREVIATIONS

AMRA Asset Management Revenue Account

BDS Building Design Service

CIPFA Chartered Institute of Public Finance and Accountancy

DfES Department for Education and Skills (Central Government)

DWP Department of Work and Pensions (Central Government)

DTLR Department for Transport, Local Government and the Regions (Central Government)

FTE Full Time Equivalent

GLA Greater London Authority

HRA Housing Revenue Account

ILEA Inner London Education Authority

LGPS Local Government Pension Scheme

LPFA London Pensions Fund Authority

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

MRP Minimum Revenue Provision

NNDR National Non Domestic Rates (Business Rates)

ODPM Office of the Deputy Prime Minister

PCL Provision for Credit Liabilities

PFI Public Finance Initiative

PWLB Public Works Loans Board

SORP Statement of Recommended Practice

SRB Single Regeneration Budget

SSA Standard Spending Assessment

SSAP Statement of Standard Accounting Practice