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## **Your Own Town-its Financial Side**

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**F**INANCE is a subject which it is difficult to dress with attractive adornments. Nevertheless, money in its function as a measure of values plays an indispensable part in our collective existence, as indeed it does in our personal lives. I hope that you will accompany me in the following paragraphs to take a quick peep at some of the more important financial aspects of our town.

With few exceptions, all classes of property are liable to rates, hence an analysis of numbers of properties and their rateable values will give a good indication of the sources whence our main income is derived. As at it 31st March, 1958, this analysis provided the following information.

|                   | Number<br>of<br>Properties | Rateable<br>Value<br>£ |
|-------------------|----------------------------|------------------------|
| Domestic Premises | 19,039                     | 834,802                |

|   |               |                   |
|---|---------------|-------------------|
| Commercial Premises, including shops, offices and garages           | 1466          | 174,796           |
| Licensed premises   | 47            | 10,553            |
| Recreational, including cinemas, sports grounds and the race-course | 55            | 25,189            |
| Water and Gas Undertakings  | 8             | 11,115            |
| Schools, Colleges and Libraries                                     | 41            | 48,906            |
| Industrial  | 51            | 7,902             |
| Properties occupied by the Crown and Hospitals                      | 31            | 98,429            |
| Miscellaneous Premises  | 121           | 33,317            |
|   | <u>20,859</u> | <u>£1,245,009</u> |

It will be seen that the character of the Borough is predominantly residential, domestic premises providing 91 per cent. of the total numbers and 67 per cent. of the total rate income.

It is interesting to recall that at the 1st April, 1937, 21 years ago, there were 14,199 properties with a total rateable value of £567,887. There are thus almost half as many properties again in the Borough as there were Twenty-four at the time of incorporation. A useful comparison cannot be made of the rateable value figures because the New Valuation List, with its different basis of assessment, was introduced on the 1st April, 1956.

Those of you who have studied the figures on the back of that somewhat forbidding document, the rate demand note, will have noticed that in addition to levying a rate for its own requirements, the Borough Council has to collect money for the use of other authorities, such as the Surrey County Council, the Metropolitan Police and the Hogsmill Valley Joint Sewerage Board; these are known as Precepting Authorities.

A general rate of 16s. 6d. in the pound has been fixed for the year commencing on the 1st April, 1958. After making an adjustment for a rate of ls. 5.161d. in the pound, which is included in the Surrey County Council Precept merely for the purpose of re-distribution by the County to local Councils under Section 9 of the Local Government Act, 1948, every pound paid by the ratepayers is shared between the various authorities like this, figures being given to the nearest penny.

|   |           |          |
|---|-----------|----------|
|   | s.        | d.       |
| Surrey County Council   | 10        | 4        |
| Epsom and Ewell Corporation   | 6         | 4        |
| Metropolitan Police   | 1         | 10       |
| Hogsmill Valley Joint Sewerage Board  | 1         | 4        |
| Nonsuch Park Joint Management Committee and Epsom and Walton Downs Conservators |           | 2        |
|   | <u>20</u> | <u>0</u> |

Excluding the item of £86,520 included in the county precept in respect of the adjustment under section 9 of the Local Government Act, 1948, already mentioned, the Surrey County Council budget to spend £514,733 of the Borough's rates in 1958/59. They administer many

important services, including education, fire service, main roads (the work on which is done by the corporation on an agency basis), the care of various classes of persons in need of help, such as children deprived of parental care, aged, infirm and handicapped persons and various domiciliary health services. The county are also responsible for the general direction of town planning and the library service, here again the relative detailed work being performed by the Corporation on an agency basis.

The largest item in the County Council's budget is for education; indeed, of the County's share of 10s. 4d. from each pound of rates paid, no less than 7s. 0d. is spent on education. With the improved standards provided by the Education Act, 1944, and the need for advancement in technical education, this requirement is likely to increase further.

After adding back the sum of £87,748 to be received from the Surrey County Council under Section g of the Local Government Act, 1948, in 1958 the Corporation have budgeted to spend £317,214 of the rates collected in the Borough on the administration of local services. These services include local roads, street lighting, sewers, refuse collection and disposal, parks and open spaces, public baths, burial grounds, various public health activities, public conveniences, car parks, Epsom market, and many other matters. In many cases, e.g. public baths' car parks and recreation grounds, charges are made to users of the service which help to reduce the cost which falls upon the rates,

The Corporation's annual budget is carefully compiled and includes items of prospective expenditure approved under about 2,500 headings. The actual expenditure incurred against these headings is costed weekly by mechanical accounting methods and periodical statements compiled therefrom enable the various committees of the Corporation and their officers to ensure a strict observance of the budget.

Possibly the most characteristic of the Corporation, local services is that concerning parks and open spaces. No less than 20 per cent. of the area of the Borough is covered by permanent open spaces and the Corporation, together, with the Nonsuch Park Joint Management Committee and the Epsom and Walton Downs Conservators, have budgeted to spend £44,360 from Epsom and Ewell's rates on this service during 1958/59. This figure is higher than in some districts but here we touch what is probably the vital point which makes our town a most pleasant place in which to live and helps our property to retain its value.

In common with all local authorities, the corporation provides the money necessary for the capital outlay on large schemes by raising loans on mortgages against the security of the rates. The consent of the appropriate Government Department to such borrowing has first to be obtained and, in giving his consent, the Minister prescribes a maximum number of years during which the loan must be repaid; this ensures that the relative debt is redeemed before the asset falls due for replacement. In practice, the Corporation operates a Loans Poof in which loans are raised and repaid through the money market as necessary, the interest paid being aggregated and charged to the borrowing accounts on the basis of an average rate.

At the 31<sup>st</sup> March, 1958, the Corporation's loan debt totalled £3,382,725, the average rate of interest paid thereon during 1957/58 being 4.074 per cent. The division of this loan between the various borrowing accounts was as follows:

|                   |         |
|-------------------|---------|
| General Rate Fund | £       |
|                   | 618,230 |

|  |                          |
|--|--------------------------|
| Corporation's Housing Schemes  | 2,147,000                |
| Allowances to borrowers for house purchase                               | 584,812                  |
| Water Undertaking  | 20,067                   |
| Former Electricity Undertaking (charges paid by Electricity Authorities) | 12,616                   |
| <i>Total Loan Debt</i>   | <u><u>£3,382,725</u></u> |

It will be seen that only the debt repayments and interest on the first figure of £618,230 fall upon the general body of ratepayers. The charges concerning the debt shown under the other headings are substantially defrayed by the users of the services concerned. The largest capital scheme in which the Corporation has been concerned in recent years is that resulting from the formation of the Hogsmill Valley Joint Sewerage Board. The Board have constructed a Joint Sewage Disposal Works at Malden for the use of the Boroughs of Epsom and Ewell, Kingston, Malden and Coombe and Surbiton at an approximate cost of £1,280,000, of which Epsom and Ewell bear about 29 per cent. In addition to this, the Corporation have spent £457,478 on trunk sewers to convey the Borough's sewage to the new works. This scheme has added something like 1s. 1d. in the pound to the rates in Epsom and Ewell but, had it not been embarked upon, it would have been necessary to reconstruct the obsolete local sewage works at a considerable cost. At the end of 30 years, when the relative loan debt has been redeemed, future generations should benefit considerably from the financial sacrifice which has been undertaken.

The Corporation have erected 1,674 houses and flats and 204 prefabricated temporary bungalows for which rents are charged under a differential rents scheme in which rebates of rent are given to tenants whose family incomes fall below a certain level. Rebates of rent are also given to tenants who undertake internal decorations in their houses. For 1958/59 it is estimated that the total rent-roll will be £128,236 and Government Subsidies of £24,822 will be received. It is the corporation's policy that rents are fixed at a level which will ensure that no subsidy is paid from the rates.

For 34 years past it has been the practice for the Council to make advances on mortgage under the provisions of the Small Dwellings Acquisition Acts to enable borrowers to purchase their own houses. This service has been extensively used and from the inception of the scheme in 1924 up to the 31st March, 1958, no less than £1,320,370 has been advanced to purchasers. At the present time there is £584,214 outstanding from borrowers on 554 accounts.

The Corporation operate their own water undertaking, which supplies consumers in the Parish of Epsom and also by agreement sells water in bulk to the Sutton District Water Company. The Undertaking is in a sound financial position, having only £20,067 outstanding debt on a capital outlay of £215,901. At 5d. in the pound on the net annual value of commercial premises and 8d. in the pound on domestic premises, its water rate is among the lowest in the country.

In 1958/59, the average amount of rates levied per head of our 67,340 population in the Borough will be approximately £14. 16s. 6d. - equivalent to 5s. 9d. per week. Although we also pay something towards the cost of certain services, e.g. education, police and housing, through national taxation, this price represents remarkably good value for the many services rendered by local government. These services provide the basic needs of healthy existence

and the knowledge and amenities necessary for citizens of all ages to enjoy useful and attractive conditions of life.

In this brief survey, I have only been able to touch lightly upon the financial side of "Your Own Town" but I hope that I have left you with the thought that figures are not so dry as they seem - they represent living things.