



Brighton & Hove  
City Council

# Brighton & Hove City Council Summary of Accounts

Details of the Council's  
income and expenditure  
for the year ended  
31 March 2007



2006/07

# Summary Accounts for 2006/07

Thank you for taking the time to read this summary of the council's annual accounts.

## Our Financial Performance

The financial position throughout 2006/07 has been challenging, particularly in respect of social care services. This was recognised early in the financial year and tighter financial controls were introduced to assist the position. In addition, restructuring of the council's debt was undertaken and has resulted in very low long term borrowing rates and substantial savings, resulting in a manageable overspend of 0.4%. Despite the financial challenges this year, the council's financial standing remains relatively healthy and the General Fund Balance will be maintained at the recommended level (£9 million) for a council of this size. The council continues to deliver substantial efficiency savings, in 2006/07 we achieved savings worth £5.2 million, these savings are essential for us to keep Council Tax increases as low as possible as well as to enable continued investment in priority services.

## Our Performance Assessment

The Audit Commission assesses the council's performance each year, under a process called the Comprehensive Performance Assessment (CPA). Overall, in 2006, the council has achieved a 3-star rating (out of 4) and is assessed to be improving well. The Audit Commission said "The council has clear shared ambitions. It works well with partners delivering services for example initiatives to reduce burglaries and theft". The CPA also includes inspection of some of our key services. This is what was said about some of our services:

Children's Services: "are good with notable improvements being made in early years' provision, health care and reducing anti-social behaviour".

Older People's Services: "more older people are being helped to live at home, through timely assessments of their needs, providing equipment and intensive home care".

With regard to value for money the Audit Commission said "The council provides value for money in some services and is strengthening its approach to ensure consistent practice".

## Working in Partnership

The council continues to work with partners to develop services in line with our priorities. Developments include:

- The Children and Young People's Trust (CYPT) for Brighton & Hove, which came into being on 1st April 2006, bringing together staff in South Downs Health Trust and Brighton & Hove City Council, is now fully integrated.
- The council is continuing to develop its Local Area Agreement working with partners in the area. This is an agreement between the Local Strategic Partnership, Public Service Board and regional government office (GOSE) to work on an agreed set of priorities for improving outcomes locally. There are 24 targets covering areas such as children and young people, safe and sustainable communities and deprivation and injustice.

## New Administration

Following the local elections in May 2007 the council remains in a position of no overall control but the council now has a new administration. The key financial priorities for the new Conservative administration include:

- lower council tax rises
- improving value for money
- strengthening financial management
- corporate oversight of key major infrastructure projects for the city to ensure that important schemes such as the redevelopment of the Brighton Centre are progressed efficiently and transparently

## Financial Outlook for the Council

Although the financial outlook remains challenging, the council will be working hard with key partners to maintain strict financial control and will develop long term service and financial plans, with the move to the new 3-year government settlements. This will enable the council to plan for the delivery of efficiencies and service improvements and ensure that the people of Brighton & Hove are well-served by its vision, actions and services.

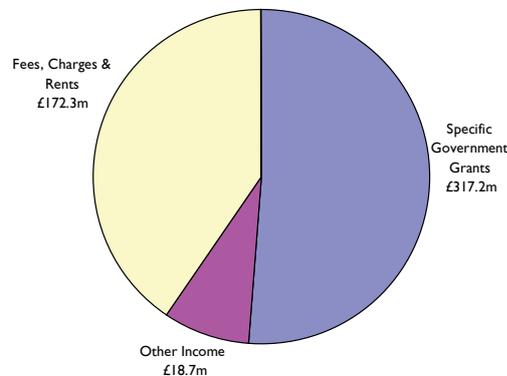
# Income and Expenditure Account

The income and expenditure account shows how much we spent on services and how we paid for them in the financial year ended 31 March 2007.

	Gross Spend £m	Income & Grants £m	Net Spend £m
Education Services	199.6	-173.4	26.2
Social Services	154.3	-46.4	107.9
Cultural, Environmental & Planning Services	88.5	-30.6	57.9
Housing Services	197.0	-191.5	5.5
Highways	30.5	-18.8	11.7
Central Services	45.0	-47.5	-2.5
<b>Net Cost of Services</b>	<b>714.9</b>	<b>-508.2</b>	<b>206.7</b>
Other Operating Spend			9.4
<b>Net Operating Spend</b>			<b>216.1</b>
<b>Amount to be met from Government Grants and local taxation</b>			<b>216.1</b>
<b>Funded by</b>			
Revenue Support Grant & LPSA*			-16.9
Business Rates			-81.4
Council Tax			-102.5
<b>Deficit for the year</b>			<b>15.3</b>
Net additional Statutory Amount			-15.4
<b>Balance at the Year End</b>			<b>-0.1</b>

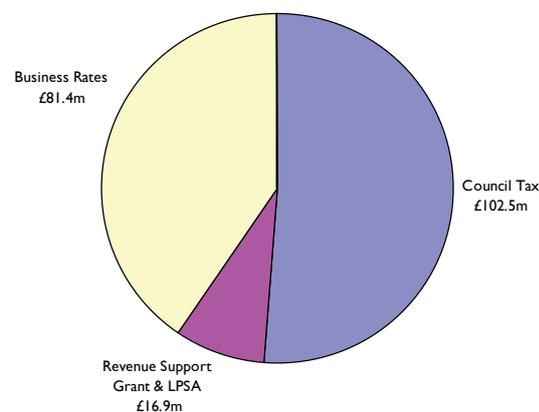
## Where the money came from

The following shows the income and grants of £508.2 million which is included in the Income and Expenditure Account.



The following shows where the funding of £200.8 million to meet Net Spending on services comes from.

Revenue Support Grant is a general government grant distributed to all councils to contribute towards the cost of providing public services.



\*LPSA = Local Public Service Agreements.

## Income and Expenditure Account services include the following:

**Education Services** - includes schools, private and voluntary nurseries and adult and youth education.

**Social Services** - supports adults, for example, who need nursing or home care and children, for example, with disabilities.

**Cultural, Environmental and Planning** - includes, for example, refuse collection, disposal and recycling, recreation and tourism, economic development, parks and seafront.

**Housing Services** - includes the council's own housing stock, working with the private sector and preventing homelessness.

## Balance Sheet

The balance sheet shows what the council owns, what it owes and what it is owed.

	£m
Land, buildings & equipment	1,813.1
Stocks including goods for resale	1.0
Private Finance Initiative leases	20.7
Landfill Allowance Trading Scheme	0.3
Investments	96.9
Bank overdraft	-2.9
Money owed to the council	56.2
Money owed by the council	-390.7
	<b>1,594.6</b>
<b>Financed By:</b>	
Reserves	-67.3
Non-distributable funds not available to be spent	-1,527.3
	<b>-1,594.6</b>

The above figures exclude £114.2 million pensions liability which has no net impact on the council's accounts.

## Reserves

At 31 March 2007 the council had a working balance of £9 million in case of emergencies or service pressures on the revenue budget. In addition we have £58 million general reserves and reserves for specific purposes to ensure we can afford to meet costs arising in future years. We are required to review the adequacy of reserves each year.

## Cash Flow Summary

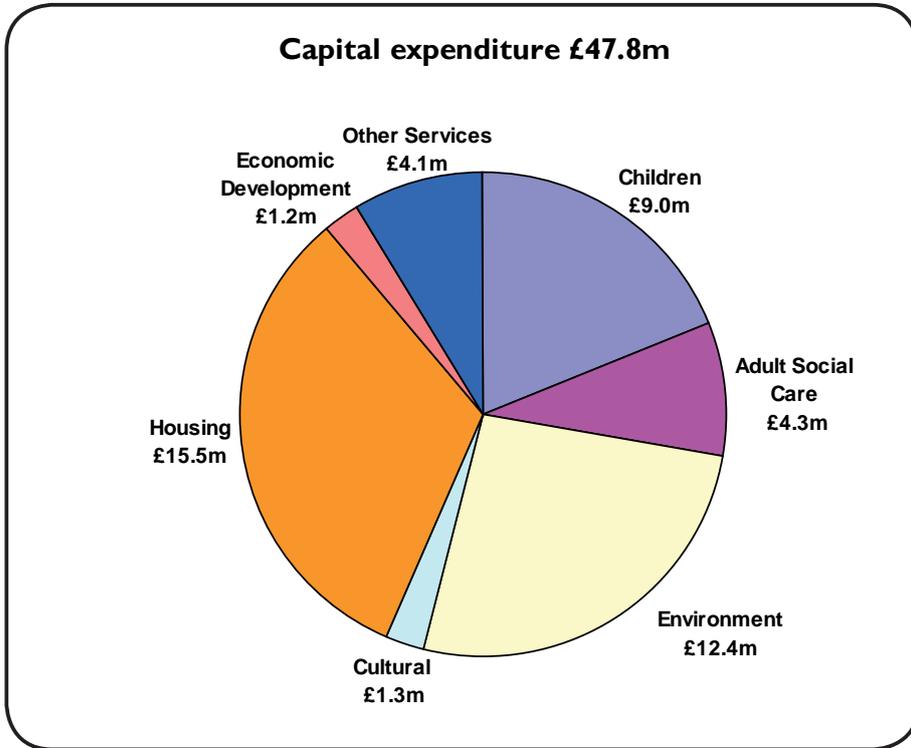
The cash flow summary shows the total cash inflows and outflows during the year.

	£m
Cash overdrawn at 1 April 2006	-1.4
Cash in	928.8
Cash out	-930.3
Cash overdrawn at 31 March 2007	-2.9

The council invests cash in hand in the money markets to generate additional income from interest.

# Capital Expenditure

We spent £47.8 million during the year buying and building new assets, as well as improving and enhancing those we own. As we incur capital expenditure, we are investing in our fixed assets which are then used to deliver services to the public over the long term.



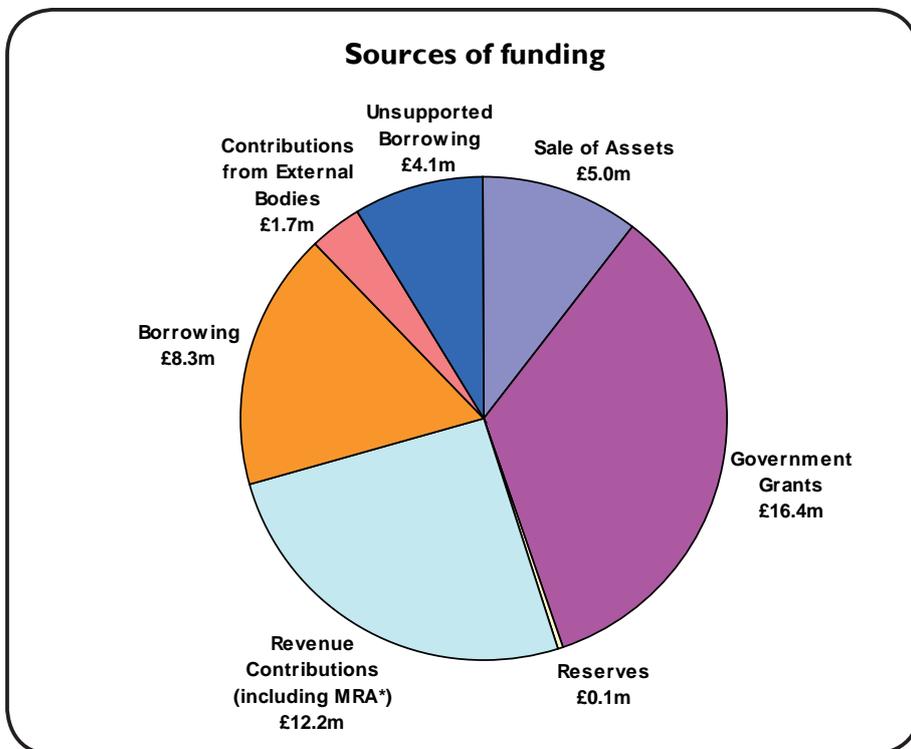
**Children** includes schools and nurseries.

**Housing** includes the council's own housing stock and private sector grants, including the development of affordable housing.

**Environment** includes transport and waste.

**Cultural** includes the Royal Pavilion and libraries.

Capital expenditure was financed from the following:



\*MRA = Major Repairs Allowance to fund council housing capital works.

## Housing Revenue Account

The Housing Revenue Account shows the day to day expenditure on the council's own housing stock and how much income we received.

	£m
Rent income	-37.9
Other income, including interest	-5.7
<b>Total Income</b>	<b>-43.6</b>
Repairs & maintenance	12.2
Supervision & management	12.8
Capital funded from revenue	2.6
Other costs	1.2
<b>Total Expenditure</b>	<b>28.8</b>
Depreciation and other	13.3
<b>Surplus for the year</b>	<b>-1.5</b>

The council owned 12,385 dwellings at 31 March 2007, made up as follows:

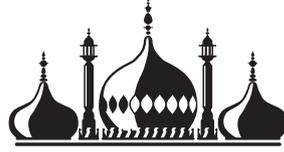
Houses	4,300
Flats	7,828
Bungalows	257

The Housing Revenue Account is included in the council's Income and Expenditure Account within Housing Services. At the end of the financial year the Housing Revenue Account had reserves of £4.2 million.

## Audit Approval

The council's accounts are audited by the Audit Commission. This is to ensure that the financial statements present fairly the financial position of the council and its income and expenditure for the year.

The council also collects council tax on behalf of Sussex Police and the East Sussex Fire Authority. Their accounts are excluded from this Summary.



## Brighton & Hove City Council

Thank you for taking the time to read this summary of the council's accounts. We hope that you have found this document helpful. If you have any comments regarding these summary accounts please call us on 01273-291312. A full statement of accounts is available on our website [www.brighton-hove.gov.uk](http://www.brighton-hove.gov.uk), where you can also find out more about the council's key documents, such as the Corporate Plan and the Performance Plan.

### Translation? Tick this box and take to any council office.

- |  |   |
|--|---|
| Perkthim? Zgjidhni kete kuti dhe cojeni ne cilendo zyre keshilli.  | Albanian <input type="checkbox"/>             |
| ترجمة؟ ضع علامة في المربع وخذها إلى مكتب البلدية.  | Arabic <input type="checkbox"/>               |
| অনুবাদ? বক্সে টিক চিহ্ন দিয়ে কাউন্সিল অফিসে নিয়ে যান।  | Bengali <input type="checkbox"/>              |
| 需要翻译? 请勾选此框并送至任何理事会的办公室。   | Chinese <input type="checkbox"/>              |
| Farsi ترجمه؟ چهارگوشه را نشانه گذاری کرده و به یکی از انجمن های مشاوره رجوع کنید.                          | Farsi <input type="checkbox"/>                |
| Traduction? Veuillez cocher la case et apporter au Council.  | French <input type="checkbox"/>               |
| Tradução? Coloque um visto na quadrícula e leve a uma qualquer repartição de poder local (Council Office). | Portuguese <input type="checkbox"/>           |
| Tercümesi için kareyi işaretleyiniz ve bir semt belediye bürosuna veriniz                                  | Turkish <input type="checkbox"/>              |
|  | other (please state) <input type="checkbox"/> |

## This can also be made available in large print, Braille or on audio tape